DOCUMENT RESUME

ED 423 093 RC 021 643

AUTHOR	Harvey, Mark
TITLE	The Rural Impacts of Welfare Reform: Annotated Bibliography of Literature Concerning the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
INSTITUTION	Wisconsin Univ., Madison. Dept. of Rural Sociology.
SPONS AGENCY	Department of Agriculture, Washington, DC.
PUB DATE	1998-01-00
NOTE	60p.
CONTRACT	USDA-43-3-AEN-7-80065
PUB TYPE	Reference Materials - Bibliographies (131)
EDRS PRICE	MF01/PC03 Plus Postage.
DESCRIPTORS	Annotated Bibliographies; *Child Welfare; Federal Legislation; Job Training; *Labor Market; Low Income; Policy; Poverty; Poverty Programs; *Rural Areas; Rural Population; Unemployment; *Welfare Recipients; *Welfare Services
IDENTIFIERS	*Welfare Reform

ABSTRACT

This annotated bibliography, arranged alphabetically by personal author, contains 235 citations of works examining welfare reform and its implications for rural areas. Items include journal articles, books, reports, and discussion papers from universities, private institutes, government agencies, and private presses. Topics include labor and employment, ethnic and gender factors, human capital needs, recidivism, cross-state studies, recommendations for research, social indicators, policy, the waiver process, community empowerment, private versus public relief, single mothers, food stamps, child welfare, work programs, issues in implementation, poverty, rural economics, partnerships, family dynamics, rural minorities, immigrants, health policies, disabilities, privatization of social services, Medicaid, job training programs, block grants, and child care. Each entry includes author, title, journal citation (if applicable), and source organization. Source organization addresses and ordering information are not given. (SAS)

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THE RURAL IMPACTS OF WELFARE REFORM: ANNOTATED BIBLIOGRAPHY OF LITERATURE CONCERNING THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996

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January 1998

This research was supported by USDA Cooperative Agreement No. 43-3-AEN-7-80065, Gene Summers, Principal Investigator and the Wisconsin Agricultural Experiment Station

Bailey-C; Sinclair-P; Bliss-J; Perez-K. 1996. "Segmented labor markets in Alabama's pulp and paper industry," *Rural-Sociology* 61: 3, 475-496; 33 ref.

Alabama's forest products industry plays a dominant role in the state's rural economy. Examination of how access to employment opportunities is distributed provides insight into how the benefits of this industry are distributed. Based on a combination of available secondary data and semi-structured interviews with management and workers in the pulp and paper sector of Alabama's forest products industry, a clear picture of segmented labour markets emerges in which structural and cultural factors determine access to certain jobs. The evolution of these highly segmented labour markets is traced from deep roots in racial discrimination to contemporary efforts in support of affirmative action. Increased use of sub-contracting in logging, hauling, and mill work represents the most recent change affecting the structure of labour markets associated with the production of pulp and paper.

Barry-PJ. 1995. "Industrialization of U.S. agriculture: policy, research, and education needs," *Agricultural-and-Resource-Economics-Review* 24: 1, 128-135; 37 ref.

The industrialization of US agriculture refers to the continued consolidation of farms and to vertical coordination (contracting and integration) among the various stages of the food and fibre system. Industrialization is strongly affecting: the structure and performance of farms and agribusiness firms; the distribution of risk, returns, and the ownership and control of resources in the food and fibre system; locations of production; competitiveness in international markets; the effectiveness of agricultural policy; business activity, income, family welfare and employment in rural communities; and environmental quality and control. Research is urgently needed to measure these effects, understand the complex underlying factors, and evaluate policy alternatives that influence and are influenced by the industrialization of agriculture. More education is needed, both within and outside the agricultural establishment, to enhance public understanding.

Bane, Mary Jo. 1997. "Welfare As We Might Know It," *The American Prospect*, January-February

This article presents a detailed explication of the 1996 welfare reform legislation and criticizes the "abdication of federal responsibility for the poor" that it represents. The Personal Responsibility and Work Opportunity Reconciliation act (PRWORA) has nine titles. Title III on child support enforcement makes unambiguous improvements in the national child support enforcement system. Title VI on child care authorizes more federal money for child care. Titles V, VII, and IX make small and relatively harmless changes in child protection, child nutrition and other programs. Serious dangers of the bill are in Title I, which replaces AFDC with Temporary Assistance for Needy Families (TANF). AFDC guaranteed cash assistance at levels set by the states to needy children whose parents were unable to provide for them, and guaranteed federal matching money to the states in amounts sufficient to provide the stipulated benefits. TANF abdicates federal responsibility for needy children by abolishing any entitlement to benefits or services and providing very flexible block grants to the states while maintaining tough work requirements and a five year life time limit on the receipt of assistance. States, communities and private agencies will need to develop new approaches to child welfare which may eventually need to be mandated and funded at the national level. The new approaches will have to provide supervision, require participation in activities, and perhaps limit the flexibility of assistance through vouchers and in-kind services.

Bane, Mary Jo. 1995. "Reviewing the waiver review process: carefully evaluated demonstrations help test ideas for reforming welfare," *Public Welfare* 53, Wint '95, pp. 7-9

Part of a special section on the debate over the federal waiver from the U.S. Department of Health and Human Services (HHS) under Title IV, Section 1115, of the Social Security Act that allows states to implement welfare demonstration programs. Carefully assessed demonstrations help to test ideas for reforming welfare. In reviewing waiver applications for welfare demonstrations, a number of fundamental principles are followed: avoiding harm to recipients within the demonstrations, conducting rigorous evaluation, maintaining cost neutrality to the federal government, and encouraging the testing of policies that are consistent with the principles of President Clinton's welfare reform proposal, the Work and Responsibility Act, while remaining open to other approaches. Details are provided of the way that the HHS's Administration for Children and Families, of which the writer is assistant secretary, uses these principles in assessing applications for programs and certain programs themselves.

Barth, Richard P. and Barbara Needell. 1997. From the Simple to the Sublime: Using Performance Indicators With Child Welfare Policy Makers and Managers, Joint Center for Poverty Research, Northwestern University and the University of Chicago

In the last eight years of work with the federal government, the California Department of Social Services, and local county governments in California, we have learned a variety of lessons about developing and communicating indicators of child welfare services performance. We began much of our work simply repackaging publicly available data and have moved on to analyzing massive amounts of highly confidential data. We have been fortunate during these years to have worked with many policy makers and managers who have shaped our strategies for presenting and discussing our data with candor, probing questions, expressions of confusion, and expectations for ever improving work. The ideas contained within are largely drawn from that experiential base. In this work we have drawn on awide variety of data sets that are most clearly described to be part of the emerging California Children's Services Archive. This Archive includes both basic demographics and service dynamics for all children who were born in California since 1967; children from 10 counties who have been abused and neglected; wards of the California Youth Authority; children in special education; and children in conventional foster care, kinship foster care, treatment foster care and group home care. The challenges of merging data from different sources with different identifiers in order to create policy and management relevant analyses are invigorating and consequential. There are also many stimulating challenges about what to do with those data once merged. Choices must be made about the proper analyses, about the level of certainty or robustness of findings required before they are presented to public social service agencies, and about ways to present those data so that they can be optimally understood and minimally misunderstood. These choices have too rarely been discussed in the scholarly literature. Much of our academic discussion has to do with ways to generate statistics with the assumption that those statistics will ultimately be read, understood, and used by public policy makers and managers. This paper is not based on scientific study of the process of research utilization. It is, instead, based on a set of impressions and field notes from countless interactions with public policy makers and managers.

Bartic, Timothy J. Forthcoming. "The Distributional Effects of Local Labor Demand and Industrial Mix." ***Journal of Urban Economics***

Bartik, Timothy, J. 1997. Short-Term Employment Persistence for Welfare Recipients: The "Effects" of Wages, Industry, Occupation, and Firm Size, Staff Working Paper 97-46, Kalamazoo, MI: Upjohn Institute

Using data from 13 years (1983-95) of the March Current Population Survey, this study examines how the types of jobs held by welfare mothers during the preceding year affects their employment and earnings at the time of the March interview. The estimates suggest that the wages of last year's job affect current employment and earnings, but the effects of wages are more modest than might be expected. The industry and occupation of last year's job make a great deal of difference, with industry being more important than occupation. The industries with the most positive effects on current employment are hospitals and educational services; jobs held last year in the temporary help industry are negatively correlated with current employment. The size of the firm employing a welfare recipient last year has no effect on March's employment or earnings. These results suggest that welfare-to-work programs should consider efforts to target higher-wage jobs or jobs in industries such as hospitals or educational services.

Bartik, Timothy J. 1995. "Using Performance Indicators to Improve the Effectiveness of Welfare-to-Work Programs," Staff Working Paper 95-36, Kalamazoo, MI: Upjohn Institute

This paper argues that it is feasible to develop good indicators of the performance of a particular welfare-to-work program, office, or contractor. Performance indicators can motivate local offices, contractors, and staff to be more effective in achieving the program's goals. Performance indicators can provide information on what program strategies lead to the greatest long-run success. To be most useful, performance indicators must be simple and timely and control for factors other than the program's effectiveness that influence whether welfare recipients "succeed." Program managers and policy makers would like to know the "value added" resulting from a

welfare-to-work program. This "value added" is the difference in welfare recipients' lives due to the program, compared to an alternate world in which the program was nonexistent. The program-induced differences of most interest will depend upon our social goals, but might include earnings gains, reduced welfare dependence, improved self-esteem, and better job skills. The value added from a welfare-to-work program is hard to measure because it is costly and time-consuming to figure out what would have happened if the program did not exist. The change in earnings or welfare benefits for welfare recipients, from before to after the program, will be a poor measure of program effects. Many welfare recipients are suffering from temporary problems. On average, a typical group of welfare recipients will over time reduce their welfare dependence and increase their earnings, even without any special assistance. For example, in the Riverside County, California welfare-to-work experiment, the welfare recipients randomly assigned to the "control group" that did not receive any special services more than tripled their earnings over the three-year period after the experiment's start, and less than half were still receiving welfare after three years (Riccio et al., 1994, pp. 323-324).

Beale-CL; Swanson-LL; Swanson-LL. 1996. "The ethnic dimension of persistent poverty in rural and small-town areas" in *Racial-ethnic minorities in rural areas: progress and stagnation,1980-90.* Agricultural-Economic-Report-Economic-Research-Service, US-Department-of-Agriculture. No. 731, 26-32.

More than 500 rural US counties (nearly one quarter of the total) had poverty levels of 20% or more in each census from 1960-90. In two-thirds of these cases, the high poverty incidence reflects inadequate income among Black, Hispanic, or American Indian and Alaskan Native residents. Poverty rates have dropped substantially in counties where most of the poor are Blacks, but much less progress has been made in the Hispanic and American Indian areas.

Beaulieu-LJ (ed.); Mulkey-D. 1995. *Investing in people: the human capital needs of rural America.* Boulder: Westview Press

The hardships faced by rural areas of the USA during the 1980s were rooted principally in the declining health of traditional goods-producing industries, but the decade of the 1990s portends a newer, even more pervasive problem for the USA's rural areas: its expected inability to capture the types of jobs that are tied to the growth industries of the future. This book addresses the issue of the quality and capacity of US human capital resources, concluding that providing the skills necessary for both creating and keeping jobs as well as creating a viable society are the challenges facing the people and planners in rural areas today. The book focuses in particular on poverty, gender and ethnic issues, employment, education, and health care.

Bernstein, Jared and Lawrence Mishel. 1994. "Trends in the Low-Wage Labor Market and Welfare Reform: The Constraints on Making Work Pay," Washington D.C.: Economic Policy Institute

One of the central goals of welfare reform is to move welfare recipients off the welfare rolls and into the labor market. Yet that segment of the labor market that is most accessible to former welfare recipients is presently characterized by low and falling wages and high and rising unemployment. The success of welfare reform--in particular, the viability of time limits--is in part predicated on the ability of labor markets to generate higher levels of employment at better wages, yet the trends we portray show this goal to be unrealistic in the current economic climate. The following tables and charts present the data that confirm this characterization. Using data from the Current Population Survey (prepared by the Census Bureau for the Bureau of Labor Statistics), we track the wage and employment trends for young persons (age 16-35) with at most a high school education. We highlight the experience of women in these categories, since they are the most relevant group in the welfare reform debate.

Bird, Edward J., P. Hagstrom, and R. Wild. 1997. "Credit Cards and the Poor," Discussion Paper 1148-97, Institute for Research on Poverty, University of Wisconsin-Madison We use data from four releases of the Survey of Consumer Finances, 1983 to 1995, to examine credit card use among the poor. The credit card market has expanded rapidly in the general population and, given the often transitory nature of poverty, more and more families may be using credit cards rather than welfare or other means to smooth consumption across income shortfalls. Indeed, from 1983 to 1995, the percentage of poor families holding a credit card rose from less than 20

percent to almost 40 percent, and the average real balance on these cards rose from about $700 to more than $1,300. In 1983 the proportion of poor families with a credit card balance more than twice its monthly income was less than 1 in 30, but rose to 1 in 8 by 1995. The growth in debt represents a new and increasingly important development in the nature of poverty since the mid-1980s, and may soon create a need for administrative policy responses in the form of credit and debt management counseling for at-risk families. Among the research questions are raised are (1) Why has the credit card market expanded to include more economically vulnerable households? and (2) Is the new existence of easy credit temporarily softening the impact of welfare reform?

Blank, Rebecca M. 1997. What Causes Public Assistance Caseloads to Grow? Working Paper, Joint Center for Poverty Research, Northwestern University and the University of Chicago

This paper uses state panel data to investigate changes in public assistance caseloads. Compared to other research, it uses more extensive data, both across states and over time; it utilizes a particularly rich set of control variables; it investigates the different subcomponents of the AFDC program separately; and it investigates the extent to which changes in caseloads are driven by changes in take-up rates versus in eligibility. The results indicate that an unexplained increase in AFDC-Basic caseloads started in themid-1980s. This trend appears to be driven by three underlying components: a rise inchild-only cases, an increase in take-up rates over the early 1990s during the economic slowdown, and a long-term increase in eligibility which is not well explained by a large set of control variables. In contrast, AFDC-UP caseload changes are relatively well-explained by the model in this paper and are far more responsive to economic factors. Recent state policy changes are correlated with caseload declines, but more than half of their affectappears to precede their implementation, suggesting that other changes in client and caseworker behavior was occurring in states that adopted major policy changes.

Blank, Rebecca M. 1997. "The 1996 Welfare Reform." *Journal of Economic Perspectives*, 11:1, 169-177

This article discusses the changes made under PRWORA in cash assistance and employment programs for low-income families. Over the past 25 years the cash value of AFDC benefits has fallen steadily in almost all states. In addition AFDC benefits have become increasingly tied to work requirements for recipients, especially since the Family Support Act of 1988 mandated all states to run welfare-to-work programs. The new legislation abolishes AFDC and creates a new block grant to the states, the Temporary Assistance to Needy Families (TANF) block grant. Under TANF states have much more discretion in determining who is eligible for funds and how much they will get. They can also redirect money from cash supports to services designed to prevent teen pregnancy, promote marriage, or impose behavioral requirements on recipients of public aid. If monies run out by the end of the fiscal year, families can be turned away. States are also left bearing the financial risk should unemployment rates rise. Paradoxically, while states have more discretion to determine who is helped, the federal government imposes mandates with regard to work requirements and payment time limits. Key research questions are (1.) Will low guarantee levels and mandated work reduce state caseloads and costs? (2.) Do most women receiving AFDC have the ability to compete in the labor market (a growing literature indicates that a growing number of welfare recipients suffer from substance abuse and severe depression and are experiencing domestic and/or sexual abuse)? (3.) Will this policy be effective at addressing long-term welfare use which is particularly acute in urban ghettos? Virtually no states experimenting with time limits have chosen to enforce them in really poor urban neighborhoods. (4.) What will be the effect of increased parental work on the well-being of children?

Blank, Rebecca and Patricia Ruggles. 1996. "When Do Women Use Aid to Families with Dependent Children and Food Stamps? The Dynamics of Eligibility vs. Participation." *Journal of Human Resources 31(1): 57-89.*

This paper investigates dynamic patterns in the relationship eligibility and participation in the AFDC and Food Stamp programs using monthly longitudinal data from the SIPP. The results indicate that therea are many relatively short eligibility spells that do not result in program participation, and end with increases in income. Participation is most likely to occur among women with lower current and future earnings opportunities and is affected by locational and policy parameters. Those who elect to participate in these programs tend to start receiving benefits almost immediately upon becoming eligible. A substantial number of women exit these programs before their eligibility ends: among at least some of these women it is likely that unreported changes in

income are occurring. In 1989, if all eligible single parent families had participated in AFDC and the Food Stamps, benefits payments in these programs would have been $13.5 billion higher.

Blank Rebecca. 1995. "Outlook for the U.S. Labor Market and Prospects of Low-Wage Entry Jobs." *In The Work Alternative: Welfare Reform and the Realities of the Job Market,*" ed. Demetra Nightingale and Robert Haveman. Washington D.C.: Urban Institute

Blank, Rebecca M. and Patricia Ruggles. 1994. "Short-Term Recidivism Among Public Assistance Recipients." *American Economic Review* (May) pp. 49-53.

A growing research literature has used longitudinal data to estimate the determinants of time spent in single spells of participation in Aid to Families with Dependent Children (AFDC), the primary cash assistance program to low-income families in the US. If a high share of past AFDC recipients return to AFDC again, however, then investigating single spells provides only a very partial picture of welfare use patterns. In contrast, focus is placed on recidivism - among those who end AFDC or food-stamp spells, those who return to public assistance in the near term are determined. Data from the 1986 and 1987 panels of the Survey of Income and Program Participation, which collects monthly information on a national sample of families for 28 months, is used.

Bloom, Dan and David Butler. 1995. The Cross-State Study of Time-Limited Welfare, Implementing Time-Limited Welfare: Early Experiences in Three States. New York: Manpower Demonstration Research Corporation

A common focus of the welfare reforms states are implementing through the federal waiver process is time limits. As of February 9, 1996, twenty-nine states had proposed or implemented time limits on the length of time an individual or family may receive cash assistance. Three of the first states to receive waiver approval to implement time-limited welfare programs were Florida, Vermont, and Wisconsin. In November 1995, the Manpower Demonstration Research Corporation (MDRC) published a study of the early experiences of these three states in implementing time limits. An analysis of the findings of the MDRC study by National Governors&146; Association (NGA) staff suggests a number of lessons learned from these states&146; experiences. They include the importance of building flexibility into the time limits to reflect caseload diversity and of assessing the potential impacts of time limits on recipient behavior and on the system. Time limits heighten the importance of recipients finding jobs and appear to help end the long-term receipt of cash entitlements.

Bloom, Dan, V. Fellerath, and D. Long. 1994. "Ohio boosts attendance among teen parents: LEAP aims to increase the graduation rate," *Public Welfare* 52, Wint '94, pp. 18-30

Part of a special issue examining reform of the U.S. welfare system. A study, which is being conducted by the Manpower Demonstration Research Corporation, is evaluating Ohio's Learning, Earning, and Parenting Program (LEAP). The program aims to increase the chances of teenage mothers graduating and, ultimately, finding jobs and leaving welfare. The evaluation of LEAP, which began in 1989, is using a random assignment research design. At this juncture, the findings indicate that the program has achieved its primary short-term goals. It has exposed almost all eligible teens to its financial incentive structure and has improved these teens' enrollment and attendance in schools and adult education programs.

Boehnen, Elizabeth and T. Corbett. 1996. "Welfare Waivers: Some Salient Trends." Focus 18(1) 34-37. Institute for Research on Poverty, University of Wisconsin-Madison

Reforming the welfare system is an ongoing preoccupation: announcements of new reforms seem to appear daily. How widespread is the scope of reform activities? How significant are the reforms proposed? Can we see any direction to this frenetic activity? This article examines some trends in state initiated refoprms of the AFDC program require federal approval through the administrations welfare waiver authority.

Bradshaw-TK. 1993. "Multicommunity networks: a rural transition," *Annals-of-the-American-Academy-of-Political-and-Social-Science*, 529: 164-175; ref.

Rural USA is in a difficult transition due not just to the economy, but to the changing relations between

cities and towns in the rural-urban continuum. Small-scale places are no longer isolated and simple but are part of a global interdependence that redefines cities and suburbs and creates rural regions. In the new rural region, traditional rural problems of poverty and lagging social services persist, but in addition a whole new set of problems and opportunities that originate outside the community affect a whole rural region. Rural development efforts, in response to the new small-community interdependence, are harder and more complex. Instead of the trend toward narrower, single-purpose programmes, the rural development paradigm for the 1990s should be one of multijurisdictional networks for the development of rural regions. Coalitions of small communities can solve many problems that individual communities working alone cannot tackle. Solutions come from leadership, strategic planning, and mobilizing local resources.

Brady, H.E. West Snow, B. 1997. Recommendations for Research Priorities and Data Sources for Monitoring and Evaluating Welfare Reform. CPS Report, University of California
Contact: Susan Grand Director Data Analysis Team UC DATA. 2538 Channing Way #5100, Berkeley CA 94704-5100.

Summary report on a March 7, 1997 forum in Sacramento on research priorities and data sources for monitoring and evaluating the new welfare reform legislation. The forum was co-sponsored by UC DATA, California Policy Seminar and Dion Aroner, Chair of the Assembly Human Services Committee. The purpose of the forum was to discuss priority information needs and to make recommendations to state representatives who are drafting welfare reform legislation for the Transitional Assistance for Needy Families (TANF) program in California. Participants included legislative staff, academic researchers, county welfare department managers, and branch directors of agencies involved with the development of data collection strategies for welfare reform in California.

Brady, Peter and M. Wiseman. 1997. "Welfare Reform and the Labor Market earnings Potential and Welfare Benefits in California, 1972-1994," Discussion Paper 1128-97, Institute for Research on Poverty, University of Wisconsin-Madison

Promotion of work is prominent in the rhetoric of current welfare reform efforts. The success of welfare-to-work policies is in part dependent on earnings available in employment. In this paper we use Current Population Survey data for the years 1972–1994 to develop measures of potential earnings from full-time work for low-skilled men and women in California and to compare the trend in earnings capacity for such people to welfare benefits. We find that while benefits have declined, earnings capacity has fallen faster, and the downward trend is particularly pronounced for men. Both the downward trends in benefits and potential earnings appear to have accelerated in recent years. State attempts to address the problem of low wages by expanding the opportunity for combining welfare with work may conflict with federal efforts to require that assistance be transitory.

Brandon, Peter David. 1995. "Vulnerability to Future Dependence Among former AFDC Mothers,"Discussion Paper 1055-95, Institute for Research on Poverty, University of Wisconsin-Madison

This study analyzes short-run AFDC recidivism among mother-only families. Findings suggest that a sizeable minority of former AFDC recipients return to AFDC rapidly. Those most likely to return to AFDC are those switching jobs, those moving to public housing, those adding children, and those not getting regular child support payments. These results also suggest that wages are better predictors of staying off AFDC than are alternative measures of success in the labor market.

Brandon, Peter. 1995. "What Happens to Mothers after AFDC?" *Focus* 17:2 (Fall/Winter): 13-15

What happens to women when they leave AFDC? What kinds of jobs do they find and how much do they earn? How many return to welfare and how soon? As states and the federal government consider major changes in the nature and level of income support programs for single mothers, empirical answers to these questions about a very diverse group of women gain in relevance. For evidence on all of these questions I examine national data from the Survey of Income and Program Participation.

Braschler, Curtis and Glenn Nelson. 1997. Nonmetropolitan and Metropolitan Federal Transfer Payments, Rural Policy Research Institute

This research approaches income transfers from several different dimensions. An understanding of the results reported here and of the policy issues posed or implied by this analysis depends on first understanding these dimensions. Income transfers are, simply put, income taken by various forms of taxes and distributed to people based on criteria other than paying for goods and services rendered. This analysis first centers on the national importance of income transfers as a percent of overall personal income. In addition, it examines the relative importance of the many components of income transfers as a proportion of total transfers over time and by region. Income transfers are composed of many components but for purposes of simplification these were aggregated into four major groups: retirement and disability, medical, income maintenance, and other. Because of the importance of social security (OASDI), it is reported as a separate component of the retirement and disability component in certain sections of the report. Rural versus urban differences in the importance of income transfers over time and by region are a major focus of the study. This issue was addressed both nationally and regionally. The following separate executive summaries for the national analysis and then the regional analysis help the reader distinguish between the overall time and spatial aspects of income transfer programs and then to consider the sub-national regional variation in the time and spatial aspects of these programs.

Broomhall,-D.1995. "The influence of the local economy and the willingness to move on human capital accumulation in central Appalachia," *Journal of Agriculture and Applied Economics*, 1993- Dec 1995. v. 27 (2) p. 488-499.

This study uses logit analysis to examine the influence of the perception of local economic opportunities and the willingness to move on the educational aspirations of rural high-school-aged youths. Those youths who are more willing to move have a greater career opportunity set and a strong incentive to achieve in school, since education allows them to compete for jobs elsewhere. A low willingness to move, coupled with a low perception of local job opportunities, translates into a low expected return to education, which reduces the incentive to achieve in school.

Brown, Amy. 1997. "Work First: How to Implement an Employment-Focused Approach to Welfare Reform. ReWORKing Welfare: Technical Assistance for States and Localities: A How-to Guide," Manpower Demonstration Research Corp

Building upon its evaluations of some of the most widely known employment programs for welfare recipients, The Manpower Demonstration Research Corporation (MDRC) has prepared a practical guide for the use of States and localities in designing and operating this aspect of the recent welfare reform legislation. MDRC identifies policies and practices that have been proven to be the most effective in moving people back into the work force. According to MDRC, the most successful work programs share a mixed strategy. They include job search, education and training, and other activities and services; an emphasis on employment in all activities; a strong, consistent message; a commitment of adequate resources to serve the full mandatory population; enforcement of participation requirements; and a cost-conscious management style.

Brown, Brett and Thomas Corbett. 1997. Social Indicators and Public Policy in the Age of Devolution, SR#71, The Institute for Research on Poverty, Univerisity of Wisconsin-Madison

Powerful themes in U.S. social policy are converging in ways that increase the importance of social indicators as public policy tools. The themes driving this transformation are best exemplified by what are termed the *devolution* and *reinvention* movements. Devolution constitutes a shift in program authority from more inclusive levels of government to levels closer to the problems purportedly being addressed (e.g., from the national government to states to local communities). Similarly, the government reinvention movement shifts public sector management from a focus on process and inputs (what organizations and programs do) to a focus on outcomes (what organizations and programs accomplish). The focus on results requires a rather sophisticated use of what we broadly think of as social indicators.

Brown, Brett, Gretchen Kirby, and Christopher Botsko. 1997. Social Indicators of Child and Family

Well-Being: A Profile of Six State Systems, SR#72, The Institute for Research on Poverty, University of Wisconsin-Madison

This special report was originally prepared for the May 1997 "Workshop on Social Indicators of Child and Family Well-Being in the Age of Devolution: Defining Next Steps," organized by Child Trends, Inc., and the State and Local Data Committee of the Federal Interagency Forum on Child and Family Statistics. The workshop focused on the growing use of social indicators at the state and local level. (The workshop, supported by contributions from the Pew Charitable Trusts, was held on May 29 and 30, in Washington, D.C.) One premise of the workshop was that, as responsibility for social policy continues to devolve from Washington, D.C., social indicators of child and family well-being are emerging as critical management tools for state and community governments.

Buck, Marsena A. 1995. "A local agency's view of the waiver process," *Public Welfare* 53, Wint '95, pp. 38-40

Part of a special section on the debate over the federal waiver from the U.S. Department of Health and Human Services under Title IV, Section 1115, of the Social Security Act that allows states to implement welfare demonstration programs. The writer describes the difficulties experienced by the nine counties in the San Joaquin Valley when they initiated a request for a waiver of the 100-hour rule in AFDC-UP. She outlines a number of specific areas of concern relating to the waiver process and offers some recommendations for changing the process.

Burt, Martha, Rob Geen, and Amy-Ellen Duke. 1997. Income Support and Social Services for Low-Income People, State Report, Washington D.C.: The Urban Institute

The income support and social services studies look at three broad areas. Basic income support for low-income families, which includes cash and near-cash programs such as Aid to Families with Dependent Children and Food Stamps, is one. The second area includes programs designed to lessen the dependence of families on government-funded income support, such as education and training programs, child care, and child support enforcement. Finally, the reports describe what might be called the last-recourse safety net, which includes child welfare, homeless programs, and other emergency services.

Burtless, Gary T. 1997. "Welfare Recipients' Job Skills and Employment Prospects," *The Future of Children, Welfare to Work* V. 7 No. 1, pp. 39-51

This article examines how various employment related factors affect current welfare recipients success in finding jobs and the wages they are likely to earn. The author concludes that the skill deficiencies of recipients of AFDC do not represent an insurmountable barrier to employment, although these deficiencies do restrict the wages recipients can earn. Without continued public assistance in the forn of wage subsidies, child care payments, or help securing health insurance, most families that move from welfare to work will remain below the poverty level.

Burtless, Gary T. 1995. "The Employment Prospects of Welfare Recipients." In *The Work Alternative: Welfare Reform and the Realities of the Job Market*," ed. Demetra Nightingale and Robert Haveman. Washington D.C.: Urban Institute

Cao, Jian. 1996. "Welfare Recipiency and Welfare Recidivism: An Analysis of the NLSY Data," Discussion Paper 1081-96, The Institute for Research on Poverty, University of Wisconsin-Madison

This paper analyses welfare recipiency and recidivism of first time AFDC recipients over the 158-month (14-year) period from January 1978 to December 1991 using National Longitudinal Survey of Youth (NLSY) database. Duration of a single AFDC spell is short, but repeated welfare dependency is common. On average, 57% of AFDC recipients return to the rolls after an exit and most of them come back within two years. Having a newborn is the most important direct cause for going on the AFDC rolls and for recidivism. The results from bivariate duration models suggest a negative correlation due to unobserved heterogeneity between the previous welfare recipiency and recidivism. An inverted U-shaped hazard function is found for both the first and second

spells on AFDC and the intervening off-AFDC spell. Age, years of education or AFQT score, marital status, ethnic origin, and region are the significant correlates with a recipient's initial welfare dependency and recidivism. However, few variables have significant effects on the duration of the second AFDC spell and off-AFDC spell at the conventional statistical level.

Castle-EN. 1995. "The changing American countryside: rural people and places" in *Rural America*. Kansas: University Press

Rural people and places in the USA are poorly understood and largely neglected by the people who write, speak and therefore influence attitudes about social problems and public policy. This book brings together contributions of scholars from several disciplines to provide discussion of numerous facets of rural life and rural conditions. Demographic trends in metropolitan and non-metropolitan areas are compared. The economic wealth of rural USA is explored in the context of money, jobs and space, including the location of economic activity and trends in the rural labour market. Rural poverty, and places where the economic health is not good, are also explored. Examination of regional and ethnic diversity illustrates the enormous complexity and diversity of the countryside. Several chapters examine the social and institutional context within which decision making in the countryside takes place. Various aspects of rural education and training are addressed. The book demonstrates why rural areas are more than just agriculture. Rather, they are highly diverse, complex and interdependent with urban USA and the international market place. Most major rural problems cannot be effectively addressed in isolation from their urban and international connections.

Corbett, Thomas. 1995. "Changing the Culture of Welfare." *Focus* v. 16 n. 2, Institute for Research on Poverty, University of Wisconsin-Madison

The experience of the past 30 years indicates that welfare-to-work programs can have positive impacts on individuals. Informed observers are beginning to agree that the following attributes appear related to optimal performance, particularly in the context of a time limited welfare program. 1. An unambiguous message: The dominant objective is not to provide income support but rather to move individuals in the direction of independence and self-sufficiency. 2. Full participation or saturation: Programs should strive to engage as close to 100% of the target population as possible. The participation requirement will not seem real if only some get in or some can easily escape by gaming the system. 3. Immediate involvement or immersion: The duration between entry into AFDC and entry into the JOBS program should be as short as possible. If long delays occur between the onset of income support and program participation the sense of obligation to work will be muted. 4. Close monitoring or keeping track: It is important that agencies monitor where clients are and how they are doing in a "real time" basis. 5. Problem resolution: Recipients often encounter problems that require the intervention of program staff if regular attendance in activities is to be maintained 6. Strong interagency communication and seamless interaction: Many welfare to work programs contract out for certain services. Communication must go beyond mere formal linkages and may involve out stationing staff. 7. Unambiguous consequences: It is important to have well articulated and fairly enforced consequences for non-performance, whether on the part of a client or a service provider or the host agency. 8. Keeping the focus on outcomes: Programs must have clear goals and keep focused on achieving the ultimate objectives: employment and self-sufficiency. 9. Adequate resources: Programs should have sufficient resources to carry out the actions described above. OBRA inspired welfare-to-work demonstrations had positive but modest impacts on the variables of interest: employment rates, earnings and reduces welfare use. The better programs increased employment between 3 to 11 percentage points but had a more consistent positive effect on earnings gains ranging from about $200 to $1,000 per experimental per year. Three programs stand out from the rest, the Riverside (California) JOBS program, the Kenosha (Wisconsin) JOBS program, and the multi-site Teen Parent Demonstration (Teen Demo) projects. Each of these operationalized some of the conditions necessary for a culture of welfare listed above.

Cotter-DA; DeFiore-J; Hermsen-JM; Kowalewski-BM; Vanneman-R. 1996. "Gender inequality in nonmetropolitan and metropolitan areas," *Rural-Sociology* 61: 2, 272-288; 49 ref.

Using data from the CPS, the Census PUMS and the GSS, Cotter et al found the nonmetropolitan and metropolitan areas are quite similar in the gender gap in earnings and in rates of married women's labor force

participation.

Coulton, Claudia. 1996. "Poverty, Work, and Community: A Research Agenda for an Era of Diminishing Federal Responsibility." ***Social Work*** **v.41 n5**

Research has shown only modest employment effects for incentives and reforms and has failed to take community context into account. A research agenda that fosters employment and builds community resources is proposed. This article examines the relationship among poverty, welfare, and work and the factors that allow communities to foster employment opportunities, enhance accumulation of wealth, and provide a safety net for families. It also outlines the research needed to raise the understanding of how communities and labor markets affect work and poverty and the process through which communities can change to meet the process of devolution. The agenda set forth focuses on the contexts in which low income people, whether working or on welfare, try to raise and support their families. Welfare reform requires a comprehensive approach to rebuilding the opportunities and supports for work in low-income communities.

Craig-G (ed.); Mayo-M. 1995. ***Community empowerment: a reader in participation and development.*** **London: Zed Books**

Reviews are presented of contemporary campaigns for community participation and empowerment with examples from Europe, the USA, Australia, South and Southeast Asia, Latin America and Africa. It critically assesses developments in the mixed economy of welfare in terms of their relevance for self-help and community participation. It also considers the concept of empowerment and its relation to public policy and developments within social movements. The case studies demonstrate the continuing struggle of communities to take more control over the key issues they confront, including poverty and the impact of international economic restructuring.

Danziger, Sandra K. and S.A. Koussoudji. 1995. "What Happened To General Assistance Recipients in Michigan?" ***Focus*** **v. 16 n. 2, Institute for Research on Poverty, University of Wisconsin-Madison**

This article discusses the effects of the 1991 termination of general assistance in Michigan. General assistance was a welfare program primarily for poor adults with no dependent children that provided a maximum of $160 per month to over 80,000 people. Recipients also received food stamps and state health insurance. Following termination single adults classified as "able bodied" were given no new means of support. Prior to termination the general assistance program served a population in which two of five recipients were over forty, only half had a high school diploma, and half the cases were in Wayne County/ Detroit, one of the highest unemployment areas and concentrated minority poverty areas of the state. Using regression analysis job training was found to increase the odds of employment, especially for African-Americans. Having a high school diploma appreciably raised the chances of employment among African Americans while having recent work experience was a significant predictor for whites and non-Black minorities. What is needed is more investment in jobs, more jobs for minorities and the elderly, adequate health care and job skills training expanded disability benefits and targeting of resources for impoverished communities where jobs are few. Without safety nets governments may find themselves devoting more funds to shelters, health care and disability programs

Daponte, Beth Osborne. 1996. "Private versus Public Relief: Utilization of Food Pantries versus Food Stamps among Poor Households in Allegheny County, Pennsylvania," Discussion Paper 1091-96, Institute for Research on Poverty, University of Wisconsin-Madison

The research presented examines the role of private versus public food assistance programs in alleviating food shortages among poor households. First, multinomial probit models are used to examine which factors affect four alternative food assistance choices poor households make: (a) to use Food Stamps, (b) to use a food pantry, © to use both programs, or (d) to use neither program. Second, the efficacy of food pantries and food stamps in alleviating food shortages is investigated by using binomial probit models which estimate whether alternative food assistance programs have an effect on (a) whether the household perceives food shortages; and (b) whether a child's physical well-being is being compromised by a lack of food. The research uses data collected by the Food

Distribution Research Project, which in 1993 surveyed 400 households below 185 percent of the poverty level.

De Vita, Carol J. 1997. "Viewing Nonprofits across the States," *Charting Civil Society*, No. 1, The Urban Institute: Washington D.C.

The 1990s have rekindled a lively public debate on how to involve citizens and nonprofit organizations to meet the nation's most pressing needs in education, health care, human services, housing, and a variety of other areas. Whether pursued under the rubric of devolution, civic engagement, or civil society, there is an implicit assumption that individuals and nonprofit organi-zations will increase their levels of activity to meet demand. Given these expectations, researchers at the Urban Institute have compiled state-by-state profiles of nonprofit organizations based on information filed with the U.S. Internal Revenue Service (IRS). These profiles document the current status of the nonprofit community in terms of its size, scope, and finances, and provide an empirical base for informing current debates about the capacity of the nonprofit sector to improve citizens' lives. The findings presented here are based on data from the State Nonprofit Almanac 1997: Profiles of Charitable Organizations, by David R. Stevenson, Thomas H. Pollak, and Linda M. Lampkin.

Del Boca, Daniella and C.J. Flinn. 1994. "Welfare Effects of Fixed and Percentage-Expressed Child Support Awards," Discussion Paper 1041-94, The Institute for Research on Poverty, University of Wisconsin-Madison

In this paper we conduct a rather extensive theory-based empirical investigation of the effects of child support systems on the income process for divorced fathers and the child support transfer decision. We estimate a flexible statistical model for the income generation process for divorced fathers which encompasses the period both before and after the divorce. We interpret the estimates from this model to indicate small behavioral effects of the type of order on post-divorce income, but non-random assignment (in terms of the means and variance of predivorce income) into the percentage-expressed-order state. Our analysis of the effects of the order type on child support transfers is divided into two parts. In the first, a reduced form analysis, we investigate whether or not the divorced father's regime-defined as the order type and withholding status-can be considered exogenous vis-a-vis the transfer decision, and examine the relative effects of the various regimes on the transfer rate. We further attempt to investigate order type effects on compliance in the context of a structural model of the compliance decision. The results of the two analysis are for the most part consistent. Percentage orders are generally associated with lower compliance rates, though withholding tends to alleviate the problem. The highest compliance rates are associated with fixed orders coupled with withholding.

Dickert-Conlin, Stacy and S. Houser. 1997. "Taxes and Transfers: A New Look At the Marriage Penalty," Discussion Paper 1146-97, Institute for Research on Poverty, University of Wisconsin-Madison

The public assistance transfer system typically has large marriage disincentives, while the income tax system is likely to subsidize marriage for many low-income families. In other words, the tax system may mitigate the loss of transfer benefits associated with marriage. The relevance of the income tax system for low-income families is even greater with the recent expansion of the Earned Income Tax Credit, for which filers may be eligible even if their tax liability is zero. The interaction of the transfer system with the income tax system has been largely overlooked. This paper describes the distribution of the joint change in 1990 transfer benefits and tax liability associated with a change in marital status.

Dodds-JM; Ahluwalia-I; Baligh-M. 1996. "Experiences of families using food assistance and welfare programs in North Carolina: perceived barriers and recommendations for improvement," *Journal-of-Nutrition-Education* 28: 2, 101-108; 19 ref.

The experiences of families using food assistance and welfare programmes in North Carolina, USA are described. A qualitative study was conducted consisting of 17 focus group discussions in 12 locations encompassing 3 geographic regions in North Carolina. A convenience sample of 141 participants was recruited from private, nonprofit agencies that provide assistance to poor families. In each region, an urban county and a rural county were selected. The counties were selected based on a review of poverty and ethnicity statistics and enrolment figures in assistance programmes. The perceived barriers to getting help from programmes and

suggestions to improve programmes fell into 3 areas: programme policies, programme benefits and programme procedures.

Driscoll, Anne and K. Moore. 1997. "Deprivation and Dependency: The Relationship of Poverty and Welfare to Child Outcomes," Child Trends, Inc., Washington, DC

Welfare is often negatively correlated with children's outcomes. Yet, virtually all children who live in households that receive public assistance are poor, giving rise to the question of whether poor outcomes are truly an effect of welfare, a spurious relationship between welfare and child outcomes, or a result of welfare selection factors. These possibilities were examined by controlling for poverty and selection onto welfare. Controlling for poverty does little to change the relationship between welfare and child outcomes; controlling for selection onto welfare through a two-stage selection model, reduced the negative effects of welfare, sometimes to the point of non-significance.

Duncan-CM; Lyson-TA; TA-Lyson (ed.); AR-Tickamyer. 1996. "Understanding persistent poverty: social class context in rural communities" in Special issue: what is right with rural sociology. *Rural-Sociology* 61: 1, 103-124; 112 ref

Urban and rural property researchers have been paying increased attention to the social context in which the poor are embedded. It is argued that the scale, familiarity among social actors, and relatively bounded nature of poor rural communities offer unique advantages for understanding why poverty persists across generations in the same places. Rural sociologists can observe the social interaction associated with particular class and race relations, track the evolution of these patterns over time, and uncover the process through which the social class context perpetuates poverty and underdevelopment. Studies of poverty in rural Texas, rural Mississippi, and Appalachia (USA) are reviewed to illustrate how political economies that rely on low wages and extreme control over labour generate rigid stratification. This structure of inequality determines social interaction and the allocation of opportunities in rural communities, blocking upward mobility, and undermines investment and trust in social institutions, blocking development.

Duncan,-C.M. 1996. Understanding persistent poverty: social class context in rural communities. *Rural Sociology*, Spring v. 61 (1) p. 103-124.

Urban and rural poverty researchers have been paying increased attention to the social context in which the poor are embedded. The scale, familiarity among social actors, and relatively bounded nature of poor rural communities offer unique advantages for understanding why poverty persists across generations in the same places. Studies of Appalachia, rural Texas, and rural Mississippi indicate how political economies that rely on low wages and extreme control over labor generate rigid stratification.

Duncan,-C.M.; Lamborghini,-N. 1994. Poverty and social context in remote rural communities. *Rural Sociology*, Fall v. 59 (3) p. 437-461.

A chronically poor coal-dependent Appalachian community is compared with a more diverse, resource-rich community in northern New England. In contrast to the Appalachian community, the poor are not deliberately segregated in the New England community.

Duncan, Greg J., Kathleen Mullan Harris and Johanne Boisjoly. 1997. Time Limits and Welfare Reform: New Estimates of the Number and Characteristics of Affected Families, Working Paper, Joint Center for Research on Poverty, Northwestern University and the University of Chicago

The 1996 welfare reform legislation stipulates a 60-month time limit on total receipt as well as work requirements after 24 months of receipt. Using Panel Study of Income Dynamics (PSID) data on the monthly patterns of AFDC receipt during the 1980s and early 1990s, we estimate the number and characteristics of recipient families likely to be affected by the 60-month time limit, as well as how quickly families will reach the limits. We present estimates separately for new recipients and for the existing AFDC caseload. We also estimate the fraction of recipients likely to be subjected to work requirements after 24 months of receipt. We find that very

large numbers of low-income families may be affected by penalties and benefit cutoffs as a result of reaching time limits. Unless behavior changes in response to the provisions of the 1996 legislation, around 40% of the current caseload -- some two million families and 3.8 million children -- will hit the 60-month limit on total receipt. Only a little more than half of the recipients meeting the limits do so right away. Characteristics most predictive of reaching the time limit are youth, never-married status, lacking a high school diploma, and the presence of preschool children at the time of welfare entry. A "risk index" based on these traits is highly predictive of reaching time limits and can be used by states to target cases most likely to reach them. In the case of work requirements, we estimate that a little more than half of the current caseload will be subject to work requirements in that they will accumulate 24 months of receipt and will not be working around the time of the 24th month.

Edin, Kathryn and Laura Lein. 1997. Making Ends Meet: How single mothers survive welfare and low-wage work. New York: Russel Sage Foundation

Welfare mothers are popularly viewed as passively dependent on their checks and averse to work. Reformers across the political spectrum advocate moving these women off the welfare rolls and into the labor force as the solution to their problems. Making Ends Meet offers dramatic evidence toward a different conclusion: In the present labor market, unskilled single mothers who hold jobs are frequently worse off than those on welfare, and neither welfare nor low-wage employment alone will support a family at subsistence levels.

Edin, Kathryn. 1995. The Myths of Dependence and Self-Sufficiency: Woment, Welfare and Low-Wage Work." *Focus* 17, no.2 (Fall/Winter): 1-9

Popular notions that welfare reciept is equivalent to "dependency" whereas work represents "self sufficiency" persist partly because much of the discussion about work, welfare, and poverty among single parent families occurs without any reference to the actual cost of raising a family. This article summarizes interview data from 214 AFDC recipients and 165 low wage workers in four U.S. cities. The data suggest 3 important points for the welfare reform debate. First, the notion that welfare use equates to dependency should be tempered by the fact that AFDC benefits are so low that in nearly all states recipients must supplement their unreported income with various means. Second, the presumption that a transition from welfare to work represents a move towards self-sufficiency or economic well being ignores that fact that low wage jobs neither pay enough to remove a family from poverty nor guarantee upward mobility. Third, many mothers use welfare as one part of broader strategy to compete for better jobs.

Effland-ABW; Kassel-K; Swanson-LL; Swanson-LL. 1996. "Hispanics in Rural America. The influence of immigration and language on economic well-being" in *Racial-ethnic minorities in rural areas: progress and stagnation, 1980-90.* Agricultural-Economic-Report -Economic-Research-Service,-US-Department-of-Agriculture. 1996, No. 731, 87-99; 18 ref. Of all minority groups in the 1980's Hispanics had the greatest numerical growth in rural areas and in the USA as a whole. Although only a small percentage (8.5%) of all Hispanics lived in rural counties, those who did were concentrated in the Southwest. Such concentration made them an important minority, and in some cases a majority, in rural counties of that region. The poverty rate among rural Hispanics rose from 27.2% in 1980 to 21.1% in 1990, the largest increase for any rural group and larger than for urban Hispanics. Part of the increase in poverty for rural Hispanics appears to have been related to the effects of continuing immigration, lack of proficiency in speaking English, and concentrated employment in agriculture.

Findeis-JL; Barkley-DL; Barkley-DL. 1993. "Utilization of rural labour resources" in *Economic-adaptation:-alternatives-for-nonmetropolitan-areas.* Rural Studies Series Boulder: Westview Press

Prior to the recession of the early 1980s, unemployment rates in metropolitan areas generally exceeded nonmetropolitan unemployment rates in the USA. In the early 1980s, however, the situation reversed, with nonmetro unemployment rates exceeding metro rates for the remainder of the decade. The higher rates of nonmetro unemployment reflected both a higher rate of transition from employment into unemployment and a longer average duration of unemployment. This problem, coupled with the low average wages typically paid in rural

labour markets, has meant relatively high nonmetro poverty rates and an underutilization of rural labour. This paper assesses the use of labour resources in the nonmetro USA and examines the implications of alternative industries and labour market structures for generating adequate employment and improving economic well-being. The paper begins by examining studies of underemployment, focusing on differences in labour market outcomes between demographic groups and the relationships between these outcomes and specific industries. Next, labour market research analysing rural or nonmetro labour markets is assessed. Finally the implications of employment generation strategies for labour utilization are summarized.

Fitzgerald, John M. 1995. "Local Labor Markets and Local Effects on Welfare Duration," IRP Reprint Series *724*, Institute for Research on Poverty, University of Wisconsin-Madison.

Reprinted form the *Journal of Policy Analysis and Management*, Vol. 14 no. 1 (1995), pp. 43-67

The Survey of Income and Program Participation (SIPP) has become and important tool for studying how long people stay on welfare programs because it has monthly data on a variety of welfare programs. This article present estimates of duration models for unmarried women with children who are on the Aid to Families with Dependent Children program (AFDC) using the 1984 and 1985 panels of SIPP. A weakness in previous welfare duration studies is that they do not include local labor market conditions or other local area effects; this omission may bias the estimated effects of policy variables (such as benefit levels) and labor market variables. This article incorporates relevant local area information from the City County Data Book and links this to SIPP welfare recipients based on county of residence. I find that local variables such as unemployment rates or per capita sales affect welfare exit rates, especially for blacks. Living in an urban area lengthens welfare spells for both whites and blacks.

Fitzgerald, John. 1994. "A Hazard Model For Welfare Durations With Unobserved Location-Specific Effects," Discussion Paper 1046-94, The Institute for Research on Poverty, University of Wisconsin-Madison

Many papers have investigated how personal characteristics and environmental variables affect welfare durations of unmarried mothers. This paper estimates proportional hazard models for welfare durations that allow for either fixed state or fixed labor market area effects. Conditioning on residence location by fixed effects can limit the impact of three types of potential bias: (1) Estimates of the effects of personal characteristics can be biased owing to the omission of relevant local area variables. (2) Estimates of the impact of state welfare benefit levels are biased because thy proxy for other unmeasured attributes of the state, in particular the entire state welfare system. Conditioning on state fixed effects limits this bias to the extent that we can use time variation within states to estimate the benefit level effect. (3) With state fixed effects, we can better estimate he impact of local conditions, such as unemployment rates, because they also may have been picking up omitted state effects. The models are estimated by the Cox partial likelihood method with time varying covariates. Data come from the 1984 and 1985 panes of the Survey of Income and Program Participation. I find that some personal characteristics (being black or Hispanic, education) have greater impact after controlling for location-specific effects.

Fix, Michael E. and Karen Tumlin. 1997. Welfare Reform and the Devolution of Immigrant Policy, The New Federalism, No. A-15, Washington DC: Urban Institute

In this brief we argue that even a reformed PRWORA embodies a fundamental shift in the locus of the nation's immigrant policy from the federal government to states and localities. (Immigrant policy covers the government rules and investments designed to promote the social and economic integration ofnewcomers. 3) The new policy fragments what had previously been uniform national rules set by Congress and the courts regarding noncitizens' eligibility for public benefits. Further, because states are granted far greater power than before to deny public benefits to noncitizens, welfare reform deepens the differences between how citizens and noncitizens are treated and redefines noncitizens' membership in society.

Fraker, Thomas M., Martini, Alberto P. and J.C. Ohls. 1995. "The effect of food stamp cashout on food expenditures: an assessment of the findings from four demonstrations," *The Journal of Human Resources*

30, Fall, pp. 633-49

Using findings from four demonstrations, we examine estimates of the effect on household food expenditures of converting food stamps into a cash transfer. We provide arguments for why the estimate produced by one of the demonstrations should be regarded as an outlier. The disparity in the difference-in-means estimates from the remaining three demonstrations is reduced when each is normalized by dividing by the average value of benefits in the respective demonstration site. The normalized estimates imply a reduction in food expenditures of between 18 and 28 cents for each dollar of food stamps cashed out. At the aggregate level, these estimates imply that nationwide cashout would result in a reduction in household food spending of between 4.2 and 6.5 billion dollars, whereas the associated reduction in the cost of administering the Food Stamp Program would be about 0.3 billion dollars. Reprinted by permission of the publisher.

Fraker, Thomas M., Martini, Alberto P., and J.C. Ohls. 1995. "The effects of cashing-out food stamps on household food use and the cost of issuing benefits," *Journal of Policy Analysis and Management* 14, Summ, pp. 372-92

The recent report produced by Vice President Gore's committee on government efficiency highlights the importance of streamlining government operations. But often there are trade-offs between administrative streamlining and accomplishing substantive program objectives. This article examines these trade-offs in the context of the Food Stamp Program, an important component of the United States' safety net for providing low-income assistance. We estimate impacts on both administrative costs and substantive outcomes (participant food expenditures) resulting from issuing program benefits in the form of checks rather than the usual food coupons. The findings, which are based on experimental tests of the cashout approach in parts of Alabama and California, suggest that significant cost savings can be attained through cashout but that these savings may be achieved at the cost of weakening the program's ability to achieve its substantive objective of encouraging food use. Reprinted by permission of the publisher.

Friedlander, Daniel and Burtless, Gary. 1997. *Five Years After The Long-Term Effects of Welfare-to-Work Programs.* New York: Russel Sage

With welfare reforms tested in almost every state and plans for a comprehensive federal overall on the horizon, it is increasingly important for Americans to understand how policy changes are likely to affect the lives of welfare recipients. Five Years After tells the story of what happened to the welfare recipients who participated in the influential welfare-to-work experiments conducted by several states in the mid-1980s. The authors review the distinctive goals and procedures of evaluations performed in Arkansas, Baltimore, San Diego, and Virginia, and then examine five years of follow-up data to determine whether the initial positive impact on employment, earnings, and welfare costs held up over time. The results were surprisingly consistent. Low-cost programs that saved money by getting individuals into jobs quickly did little to reduce poverty in the long run. Only higher-cost educational programs enabled welfare recipients to hold down jobs successfully and stay off welfare. Five Years After ends speculation about the viability of the first generation of employment programs for welfare recipients, delineates the hard choices that must be made among competing approaches, and provides a well-documented foundation for building more comprehensive programs for the next generation. A sobering tale for welfare reformers of all political persuasions, this book poses a serious challenge to anyone who promises to end welfare dependency by cutting welfare budgets.

Friedlander, Daniel and G. Hamilton. 1996. "The impact of a continuous participation obligation in a welfare employment program," *The Journal of Human Resources* 31, Fall, pp. 734-56

We present results from a special federal demonstration funded to examine the feasibility and effectiveness of imposing on able-bodied welfare recipients a universal and ongoing obligation to work or to participate in activities intended to lead to work. Using a classical random assignment research design, we find that the program increased employment and reduced welfare receipt. Over five years, reductions in welfare payments to the research sample amounted to 11 percent for single-parent welfare families and 9 percent for two-parent welfare families, reductions which accrued as savings to taxpayers. The extra earnings income from increased employment did not exceed the loss in welfare income, however, leaving those in the program no better off

financially. Reprinted by permission of the publisher.

Frongillo-EA Jr.; Rauschenbach-BS; Olson-CM; Kendall-A; Colmenares-AG. 1997. "Questionnaire-based measures are valid for the identification of rural households with hunger and food insecurity," *Journal-of-Nutrition*, 127: 5, 699-705; 20 ref.

Data used were from a 1993 survey of 193 households with women and children living at home in a rural county of New York State, USA. Two interviews provided data on demographics, factors contributing to food insecurity, coping strategies, fruit and vegetable consumption, disordered eating behaviours, height, weight, dietary recall and household food-stores inventory. This information was used to develop a definitive criterion measure for hunger and food insecurity to compare with hunger and food insecurity items from Radimer/Cornell, the Community Childhood Hunger Identification Project (CCHIP) and the Third National Health and Nutrition Examination Survey (NHANES III). The Radimer/Cornell and CCHIP questionnaire-based measures had good specificity (i.e., percentage of truly food secure correctly classified; 63-71%) and excellent sensitivity (i.e., percentage of truly food insecure correctly classified; 84-89%) when compared with the criterion measure. Estimates of the prevalence of household food insecurity from the criterion, Radimer/Cornell and CCHIP measures were almost identical. The overall agreement of the Radimer/Cornell and CCHIP measures was very good. It is concluded that these measures can be validly used to screen for hunger and food insecurity among rural households similar to those studied and to target subpopulations for food programmes. The NHANES III item alone had excellent specificity but poor sensitivity and underestimated prevalence.

Gale, William G., N.L. Maritato, and J.K. Scholz. 1993. "Effects of Public and Private Transfers on Income and the Poverty Rate," Discussion Paper 1009-93, The Institute for Research on Poverty, University of Wisconsin-Madison

The principle goals of public assistance programs include reducing the incidence of poverty and reducing the variability of household income. In this paper we examine the extent to which private interfamily transfers would either offset or amplify the effects of changes in public transfers. Our estimates suggest that reductions in public transfer programs would raise the poverty rate and income variability; private transfers would rise as well but would offset only a small portion of the reduction in public assistance.

Geen, Rob and S. Waters. 1997. "The Impact of Welfare Reform on Child Welfare Financing: Issues and Options for States," *New Federalism*, Series A, No. A-16, The Urban Institute: Washington D.C.

While child protection programs escaped block granting as part of the welfare reform legislation of 1996, the new law has the potential to affect child welfare financing dramatically. Given the 15 percent reduction in SSBG funds and the incorporation of the EA program within the TANF block grant, state child welfare agen-cies will likely face greater competi-tion for the resources they have received from these sources in the past. Child welfare prevention activi-ties may be affected most of all since these two funding sources account for a large portion of the federal funds available for this purpose. Indeed, it appears that states rely more on these discretionary block grants than on funds directly targeted for child wel-fare services to fund prevention and case management services. States may also face reduced federal reimburse-ment for foster care and adoption assistance payments due to changes in the SSI program and the failure of PRWORA to adjust the eligibility cri-teria for IV-E reimbursement for inflation. Meanwhile, states may be able to increase federal foster care funds by changing the way they finance kinship care. Since TANF funds are block-granted and IV-E remains an open-ended entitlement program, states may have a financial incentive to shift their financing of IV-E–eligible kin-ship foster care from TANF child-only grants to IV-E foster care payments. This shift would require additional state investment but would free up significant TANF funds. In fact, in more than half the states, the amountof TANF money freed up would be more than the additional state invest-ment needed. This potential shift would also benefit kinship care providers financially, as they would, on average, receive an additional $219 per month per child. While a variety of legal, financial, and administrative barriers will likely prevent states from transferring a large share of their informal kinship caseload, states that are using TANF child-only grants to fund formal kinship care arrangements should have less difficulty in financing these families through Title IV-E.

Giannarelli, Linda and Eugene Steuerle. 1995. "The Twice Poverty Trap: Tax Rates Faced by AFDC Recipients," Washington D.C.: Urban Institute

In recent welfare reform discussions, all sides have stressed that a person who adheres to the rules should be able to get ahead. But work penalties may make that goal difficult to achieve. While most workers are familiar with the taxes they pay on income and for Social Security, less obvious are those tax systems hidden in a variety of social expenditure programs. These "expenditure taxes" remove benefits as income increases, and create a system in which work may offer little or no reward. Policymakers have voiced concern about the tax rates in social expenditure and tax programs, yet a thorough analysis of these rates acros all major tax and welfare programs has seldom, if ever, been done. In a new study, Urban Institute researchers Linda Gianarelli and Eugene Steuerle use microsimulation techniques to provide population-wide estimates of the true tax rates faced by all AFDC recipients.

Goerge, Robert, T.E. Summer, B.J. Lee, and A. G. Harris. 1995. Use of Multiple Human Services by Illinois Children and Families: The Use of Administrative Data for Research Purposes. Chicago: Chapin Hall

How might public social services be improved in their responsiveness to children and families, particularly low-income families with multiple interrelated social needs? This issue is the subject of enduring debate in the field of human services. To inform this debate with hard data, the authors analyzed the simultaneous use of five state-administered human services (Aid to Families with Dependent Children, Food Stamps, Medicaid, special education, and child welfare services) by a cross-section of Illinois children and families (for the date June 1, 1990). They also present preliminary results from a longitudinal analysis of the use of welfare and child welfare services by a 1988 cohort of children born to Illinois families new to the system through the child's fifth year of life (1988-92). The authors found that on June 1, 1990 in Illinois, 25 percent of all children received at least one major state-sponsored human service. In Chicago, 38 percent of all children used at least one service, and a majority of children in the human service system used more than one service same time.

Gordon, Anne, J Jacobson, and T. Fraker. 1996. "Approaches to Evaluating Welfare Reform: Lessons from Five State Demonstrations," Princeton: Mathematica Policy Research, Inc.,

Between 1993 and 1996, 43 states received formal approval (waivers) to conduct experimental changes to the welfare (AFDC) and food stamp programs. The waiver process required that all welfare reform demonstrations be rigorously evaluated and provided matching funds for the evaluation studies. The authors reviewed the evaluations of these attempts at welfare reform in five states and consulted with a panel of evaluation experts. The five demonstrations are (1) the California Assistance Payments and Work Pays Demonstration Projects, (2) the Colorado Personal Responsibility and Employment Program, (3) To Strengthen Michigan Families, (4) the Minnesota Family Investment Program, and (5) the Wisconsin Work Not Welfare demonstration. Four of the five demonstrations used an experimental evaluation design; one relied on a quasi-experimental design. The five evaluations differed in many other respects. This report reviews the approaches taken in these evaluations, with particular emphasis on the analysis of the impacts of welfare reform.

Gottschalk, Peter. 1997. "Has 'Welfare Dependency' Increased?" DP 1147-97, Institute for Research on Poverty, University of Wisconsin-Madison

This paper uses the Panel Study of Income Dynamics from 1975 to 1992 to measure changes in the distribution of years of receipt of AFDC. The process generating the total number of years of welfare receipt is then desegregated into four components: (1) the length of time until first birth, (2) the duration until a welfare spell begins, (3) the duration of a welfare spell, and (4) the duration until the woman re-enters the welfare system. Since much of the recent debate has focused on unwed teen mothers, we give special attention to this group. Finally, we focus on events that accompanied the end of welfare spells. We find no systematic evidence of increased dependency, either for all women or for women who had their first child as unwed teens. The stability of the overall measures of total time on welfare, however, reflects offsetting changes in the underlying processes. For example, the duration until first birth declined but there was no trend in the time between first birth and entry onto welfare. This holds for unwed teens as well as other women. Furthermore, we find that the duration of welfare spells declined for unwed teens but increased for others. Changes in events associated with entry onto welfare and

exits from welfare also do not support the view that welfare recipients were less likely to use the labor market to change their welfare status.

Gottschalk, Peter. 1996. "The Impact of Changes in Public Employment on Low-Wage Labor Markets." In *Demand-Side Policies for Low-Wage Labor Markets,* ed. Richard Freedman and Peter Gottshcalk. New York: Russell Sage Foundation

Gottschalk, Peter and R.A. Moffit. 1994. "Welfare Dependence: Concepts, Measures, and Trends," IRP Reprint Series 708, Institute for Research on Poverty, University of Wisconsin-Madison

In the past ten years, discussions of the welfare system and welfare reform have increasingly been concerned with the extent of "welfare dependence." However, while the idea that some individuals may be dependent on the welfare system for support is intuitively clear, the concept of welfare dependence is rather ill-defined. Our aims in this paper are to clarify what is meant by welfare dependence; to discuss the implications for data handling, measurement, and statistical modeling; and to present new results of the level and trend of welfare dependence in the United States.

Greenberg, David H., C. Michalopoulos, P. K. Robins, and R. Wood. 1995. "Making Work Pay for Welfare Recipients," IRP Reprint Series *731,* Institute for Research on Poverty, University of Wisconsin-Madison

Reprinted from *Contemporary Economic Policy*, Vol 13, no. 3 (July 1995), pp. 39-52

This paper describe five new welfare reform programs being tested in six areas of the United States and Canada. These programs all use financial incentives to encourage self-sufficiency among welfare recipients. Some programs also provide employment and training services. A micro simulation model is used to predict the impacts of the two most generous programs: the Canadian Self-Sufficiency Program (SSP) and the Minnesota Family Investment Program (MFIP). The simulation results suggest that SSP and MFIP will moderately increase the number of welfare recipients who work. However, because SSP has a full-time work requirement and MFIP does not, only SSP is predicted to generate an increase in full-time employment.

Greenberg, David, R.H. Meyer and Michael Wiseman. 1993. "Prying the Lid from the Black Box: Plotting Evaluation Strategy for Welfare Employment and Training Programs" Discussion Paper 999-93, The Institute for Research on Poverty, University of Wisconsin-Madison

To date, most evaluations of welfare-related employment and training (WRET) programs have focused on the difference between outcomes in a single site for people who receive the program's "treatment"and those in a control group who do not. This paper argues that progress in determining what makes programs effective requires greater emphasis on planning for synthesis of results from multiple sites and perhaps multiple treatment variations to provide insight into the program's *production function*: the relationship among outcomes and the characteristics of the program tested, the environment of implementation, and the people who participated. The authors develop a multilevel model of WRET outcomes and use the model (1) to determine analytically the number of sites and observations per site required to achieve a target level of efficiency in estimating production function parameters, (2) to structure a review of recent multisite WRET program evaluations, and (3) as a foundation for a suggested multisite program evaluation agenda.

Greenberg, David and M. Wiseman. 1992. "What Did the Work-Welfare Demonstrations Do?" Discussion Paper 969-92, Institute for Research on Poverty, University of Wisconsin-Madison

The 1981 Omnibus Budget Reconciliation Act (OBRA) spawned numerous welfare demonstration programs that sought to encourage and require adult applicants and recipients of AFDC to participate in job search, training, or public employment programs. The authors review evaluations of these demonstration programs and assess the influence they have had on welfare policy and social science research. In doing so they explain how the OBRA demonstrations worked, how they were evaluated, what impact they had on the earnings of AFDC recipients and how successful they were in reducing the AGDC caseload. The authors pay particular attention tho the efforts of the Manpower Development Research Corporation (MDRC) , the private non-profit

organization that evaluated many of the OBRA demonstration programs. They conclude that MDRC deserves credit for entrepreneurship in encouraging states to conduct rigorous evaluations of their innovations, for sound judgement in choice of methodology in evaluating the outcomes and for conservatism in drawing inferences from the results. They point to opportunities for improvement in the evaluation of process, impact, and benefits and costs of future demonstrations. While appreciating the historic role of MDRC, they argue for development of more systematic methods for encouraging implementation and rigorous evaluation of state welfare reforms.

Greenberg, Mark and Steve Savner. 1996. Waivers and the New Welfare Law: Initial Approaches in State Plans, Washington D.C.: Center for Law and Social Policy

The Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA) imposes a set of requirements on States receiving Temporary Assistance for Needy Families (TANF) block grants. However, the PRWORA also provides that if a State opts to continue a waiver that was in effect on the date of enactment of the new law (i.e., August 22, 1996), the State need not comply with PRWORA provisions that are inconsistent with the waiver until the expiration of the waiver. There are many unresolved questions about how to determine whether a State's waiver should be considered "inconsistent" with a PRWORA provision. The federal Department of Health and Human Services (HHS) has not yet provided an interpretation of when it believes a waiver is "inconsistent" with a PRWORA provision. Instead, HHS has suggested that when a State submits a State Plan, the State should describe the areas in which the State believes that its waiver is inconsistent with one or more provisions of the PRWORA.

Greenberg, Mark. 1996. Early Issues in Implementation of the PRWORA 1996.Washington D.C.: Center for Law and Social Policy

As states plan for implementation of the Temporary Assistance for Needy Families (TANF) Block Grant, an important threshold question concerns the relation between TANF requirements and current or pending state waiver requests. The attached document discusses the uncertain relationship between waivers and requirements of the new legislation.

Griffith-D; Stull-DD; Stull-DD (ed.); Broadway-MJ (ed.); Griffith-D. 1995. "Hay Trabajo: poultry processing, rural industrialization, and the Latinization of low-wage labor" in *Any-way-you-cut-it:-meat-processing-and-small-town-America*. Kansas: University Press

Gringeri-CE. 1994. *Getting by: women homeworkers and rural economic development*. Lawrence KS: University Press

This book investigates the effects of homeworking on workers, mainly women, and their families. It focuses on two midwestern US communities (Riverton, Wisconsin, and Prairie Hills, Iowa) where more than 80 families have supplemented their incomes since 1986 as home-based contractors of small auto parts. The book looks at rural development from the perspective of local and state officials as well as that of the workers. Through the use of personal interviews, the book shows how the advantage of homework for women (being able to stay at home with their families) is outweighed by the disadvantages (piecework pay far below minimum wages, long hours, unstable contracts, and lack of company benefits). Instead of providing a financial panacea for rural families, the book argues that industrial homework reinforces the unequal position of women as low-wage workers and holds families and rural communities below or near poverty level.

Gueron, Judith M. 1996. "A research context for welfare reform," *Journal of Policy Analysis and Management* 15, Fall, pp. 547-61

Responsibility for the social safety net continues to "devolve" from the federal to state governments, and many states are now confronting the dilemmas inherent in redesigning welfare-dilemmas that faced Congress, too, as it sought to impose new conditions on receipt of public assistance. This article argues that reforming AFDC is difficult because the public has conflicting goals: putting welfare recipients to work; protecting their children from severe poverty; and controlling costs. For 25 years, reformers have viewed

requiring welfare recipients to participate in work-promoting programs as uniquely able to balance these goals. Numerous studies have shown that this approach modestly increased employment and reduced welfare costs. More substantial gains have been achieved by some "mixed-strategy" programs, which stress immediate job entry for some recipients and employment-directed education or training for others. Many people remain on the rolls, however, prompting some policy makers to argue for substituting work-for-benefits or community service work ("workfare") for welfare after a certain period of time, and others for ending all support. The limited knowledge about work-for-benefits programs suggests that, in contrast to work-promoting activities, this approach ultimately costs money. The research record confirms that there are no easy answers in welfare reform, and that states will have to weigh the trade-offs in considering alternative strategies.

Gueron, Judith M. 1995. "Work programs and welfare reform," *Public Welfare* 53, Summ, pp. 7-16

Part of a special issue on welfare reform in the U.S. The writer discusses the performance and promise of welfare-to-work programs. Topics discussed are the addition of a participation requirement to an entitlement, challenges to welfare administrators, whether the Job Opportunities and Basic Skills (JOBS) Training Program has failed, the potential for JOBS, the reasons for the success of the JOBS program in Riverside County, the appropriate balance between building human capital and emphasizing quick employment, the feasibility and effectiveness of workfare, increasing the effectiveness of welfare-to-work programs, block grants and work-focused programs, and recipients who cannot work.

Guyer, Jocelyn, Cindy Mann and David A. Super. 1996. The Time Line for Implementing the New Welfare Law, Center on Budget and Policy Provisions

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 includes nine titles, affecting most major low-income programs, including AFDC, food stamps, Medicaid, Supplemental Security Income (SSI), child welfare and child support. The scope and potential impact of the changes in low-income programs in this bill are unprecedented. Some of the changes are effective upon or soon after enactment of the bill. Other changes will be implemented over the course of the next fiscal year or later, and still other changes are subject to state discretion - when and how these changes are made are matters left largely to the states.

Hamilton, Gale. 1995 . "The JOBS Evaluation: Monthly Participation Rates in Three Sites and Factors Affecting Participation Levels in Welfare-to-Work Programs," Manpower Demonstration Research Corporation for the U.S. Department of Health and Human Services and the U.S. Department of Education

In 1988, the Family Support Act (FSA) sought to define a new social contract between government and welfare recipients. It decreed that parents both fathers and mothers should be the primary supporters of children; that welfare agencies should provide services and incentives to assist families in making the transition from welfare to self-support; and that welfare recipients who do not take steps toward independence from welfare should face meaningful consequences, such as a reduction in their welfare grants. The primary vehicle for assisting welfare recipients to become self-sufficient under FSA is the Job Opportunities and Basic Skills Training (JOBS) Program. JOBS provides an array of job search, work experience, education, and training services to families who receive Aid to Families with Dependent Children (AFDC). Endorsing a view of welfare as involving an obligation on the part of its recipients, the legislation mandates (i.e., requires) participation in JOBS activities by all AFDC single-parent recipients with children age 3 and over (or, at state option, age 1 and over) to the extent that resources permit. Exemptions may be granted to recipients if they have a long-term illness or incapacitation, or are taking care of a household member who is ill or incapacitated; are of advanced age; are under age 16; are pregnant and past the first trimester; or are living in an area where the program services are unavailable. Welfare recipients for whom participation in JOBS is mandatory, but who fail to participate without "good cause" or who reject a bona fide offer of employment can be "sanctioned," that is, their portion of the welfare grant can be removed from their family's total grant.

Handler, Joel F. 1995. "'Ending Welfare As We Know It': Another Exercise in Symbolic Politics," Discussion Paper 1053-95, The Institute for Research on Poverty, University of Wisconsin-Madison

Americans are again concerned about welfare-Aid to Families With Dependent Children (AFDC) and politicians are again proposing toe reform the system. According to the author, at issue is not the cost of AFDC, but what the money is supposedly being spent for: to "reward" young women without education or skills for bearing children out of wedlock; the subtext is that such women are inner-city, substance abusing blacks spawning a criminal class. But this supposition is based on a false notion of the welfare population, the author argues. AFDC recipients are a diverse group, most are working or trying to work, although the low skills and poor educations of many often preclude work as a reasonable option; and long term welfare receipt is the exception, not the rule. The current reform proposals are doomed to fail since they are based on the same old misguided assumptions as to the causes and cure of welfare dependency--reforming the recipient instead of improving the labor market. The author concludes that the current reform frenzy is another exercise in symbolic politics, affirming mainstream norms by stigmatizing the poor.

Hansen, Russell L. 1994. "Do Welfare Magnates Attract?" Discussion Paper 1028-94, Institute for Research on Poverty, University of Wisconsin-Madison

Some scholars and many policy makers claim that poor people, in order to improve their lot, move to states that offer high welfare benefits. The authors test the validity of this claim using data from six Current Population Surveys: 1982–1984 and 1986–1988. They find no evidence to support the so-called welfare magnet hypothesis. Poor people do not move from one state to another to receive more public assistance. In fact, the poor hardly move from their home state at all. True, low-income persons who move to states with generous welfare benefits are more likely to go on welfare than are poor people who move to low benefit states, but their numbers are too small to affect a state's welfare expenditures. The authors also find that low-income people who already live in high benefit states are no more likely than the poor who live in low benefit states to participate in welfare programs.

Harris, Kathleen Mullan. 1996. "Life After Welfare: Women, Work and Repeat Dependency,"*American Sociological Review* 61: 407-426 Haveman, Robert. 1997. "Reducing Poverty While Increasing Employment: A Primer on Alternative Strategies and a Blueprint,"IRP Reprint Series *754,* Institute for Research on Poverty, University of Wisconsin-Madison

Reprinted from the *OECD Economic Studies,* No. 26 (1996/I), pp. 7-42

In this paper I discuss several strategies for reducing poverty while maintaining work incentives. These strategies are discussed in context in which a system of income support policies and labor market initiatives already exist. Existing policies-especially income transfer measures- typically have two characteristics: they are categorical and piecemeal in their coverage, and they contain serious work disincentives. The policy strategies that I focus on are designed both to increase the comprehensiveness and uniformity of programme coverage sand to improve the structure of work incentives .

Haveman, Robert H. 1995. "The Low Wage Labor Market." *Focus* v. 17 n. 1, Institute for Research on Poverty, University of Wisconsin-Madison

Wages at the bottom end of the labor market have collapsed over the past two decades. The hourly wage for a man with a high school degree but no more has fallen in real dollars by about 35% since the early seventies. The growth of low wage jobs over the past two decades in the U.S. has been spectacular. For those AFDC recipients who receive jobs the upper-bound estimate of their earnings working full time year round will be $12,000 to $14,000. Most will earn half of this. What would happen to recipients who lose benefits? 10 to 15 percent may make a successful transition. About 70% would "cope"by moving in with relatives and working intermittently. The other 10% to 15% would become visibly destitute Policy instruments do exist to that would increase the number of low-skilled jobs and the take-home pay associated with them, these are the wage rate subsidy and a marginal employment tax credit.

Haveman, Robert H. 1994. "The Clinton Welfare Reform Plan: Will It End *Poverty* as We Know It?" Discussion Paper 1037-94, Institute for Research on Poverty, University of Wisconsin-Madison

The central elements in President Clinton's proposal to reform the welfare system are: increasing the earned income tax credit, improving the child support system, educating and training the poor, and limiting the amount of time people can receive assistance. The authors commend the first two components of the president's plan but question the likely effectiveness of the last two: even with the education, training, and child care programs that the president has proposed, few welfare recipients will be able to command wages that would lift them out of poverty, and successful education and training programs would cost more than the government appears willing to spend. They recommend that the president consider giving tax credits to, and subsidizing the wages paid by, employers who hire low-wage workers and assist young people and poor families to save for future opportunities. In their view, poverty will not be alleviated by only getting tough on welfare recipients; instead, labor market interventions should be adopted so as to expand opportunities for low-wage, low-skilled workers.

Haveman, Robert and L Buron. 1993. "Escaping Poverty through Work: The Problem of Low Earnings Capacity in the United States, 1973-1988," IRP Reprint Series 697, Institute for Research on Poverty, University of Wisconsin-Madison

Reprinted from The Review of Income and Wealth, Ser 39, no. 2 (June 1993) pp. 141-157

This paper documents the changes in earnings capacity poverty that occurred between 1971 and 1988. Families are "Earnings Capacity Poor" if they are unable to generate enough income to lift them out of poverty, even if all working age adults in the family work full time, year round. Data from the March 1974 and March 1978 Current Population Surveys indicate that earnings capacity poverty increased more rapidly than official poverty. Much of this increase can be attributed to the rise in earnings capacity poverty among whites, intact families, and family heads with more than a high school diploma. Most alarming, the percentage of children in earnings capacity poor families is considerably higher than it is among persons over 18; in 1988, nearly 15 per cent of children under 6 lived in families that could not have escaped poverty even if the adults in their family were working and earning at their full capacity levels.

Henry-MS; Barkley-DL; Barkley-DL. 1993. "The rural economic gap: fact or fiction?" in *Economic-adaptation:-alternatives-for-nonmetropolitan-areas*. Boulder: Westview Press

This paper documents the divergence in per caput incomes between rural and urban USA since the mid-1970s. The reasons for this divergence after a long wave of convergence are examined, and major causal factors identified. First, the traditional economic bases of rural USA (farming, forestry, mining, and more recently, manufacturing) have not fared well over most of the last decade. Second, rural areas have not and probably will not move as quickly into the full spectrum of service activities that are dominating the growth in urban centres. Third, there is a diminishing role for resource movements (labour and capital flows) as an equilibrating income force. The most beneficial adjustments, like labour flows out of low-income agriculture, while not complete, have largely been made. The potential for rural USA to adapt and attain income levels comparable to those in metro areas seems to rest in two areas. First, rural analysts might investigate marketing of high amenity rural areas as places not only for retirees, but also to higher order services that can take advantage of communication technology and to manufactured products that have low transportation input requirements. Second, the natural resource-based sectors are uniquely rural and are not going to disappear. Innovations in production and marketing of these goods will continue to contribute to income in rural America.

Hershey, Barbara and LaDonna Pavetti. 1997. "Turning Job Finders into Keepers." *The Future of Children Welfare to Work* 7

Most welfare to work programs designed to help single mothers leave welfare for employment focuses on the challenge of finding a job. This article looks beyond the point of employment to consider the difficulty many former welfare recipients have keeping their jobs. The authors review evidence showing that many families cycle back and forth between welfare and work, losing jobs and returning to public assistance

while they seek work again. Factors contributing to high rates of job loss include characteristics of the job and of the worker. Temporary jobs, frequent layoffs, low pay in relation to job expenditures, lack of experience meeting employer expectations, and personal or family problems all lead to dismissal or resignation. Drawing from the experience of innovative programs the authors recommend policy changes and program approaches that can help families overcome setbacks and stabilize their lives as they move from welfare into increasingly stable employment.

Hinton,-A.W.; Rausa,-A.; Lingafelter,-T.; Lingafelter,-R. 1992. "Partners for improved nutrition and health--an innovative collaborative project," *Journal of Nutrition Education*. Jan/Feb v. 24 (1,suppl.) p. 67S-70S. Baltimore, Md. : Williams & Wilkins

The Freedom From Hunger Foundation (FFHF) of Davis, California, is committed to helping the hungry and poor help themselves to eliminate the root causes of malnutrition and hunger. The Foundation's programs are founded on strategies to develop, test, and refine creative and innovative self-help strategies, with an emphasis on community-based self-help and mutual help solutions that enhance self-reliance and preserve dignity (1). With a forty-year history of conducting international relief programs, the Foundation in 1986 conducted a study on poverty in the United States.

Holahan, John and D. Liska. 1997. "Variations in Medicaid Spending Among States," *New Federalism*, Series A, No. A-3, The Urban Institute: Washington: D.C.

Medicaid, financed jointly by the federal government and the states, is the major source of health care funding for the low-income population in the United States have considerable flexibility within federal guidelines, Medicaid programs vary across states in the numbers of people they cover and the amounts they spend on services. This brief explores these variations and points out that the current federal matching formula, which provides more generous matching funds for poorer than for richer states, works to reduce interstate disparities. The two major Medicaid finance restructuring proposals currently on the table—fixed block grants and limits on per capita federal spending—could change this calculus, however.

Hollenbeck, Kevin, J Kimmel and R.W. Eberts. 1997. "Using Administrative Data to Evaluate the Ohio JOBS Student Retention Program," Staff Working Paper 97-48, Upjohn Institute

This paper presents findings from a net impact evaluation of the Ohio JOBS Student Retention Program. The JOBS program, a component of the federal Aid to Families with Dependent Children (ADC) program, was required, in all states, for ADC recipients who met certain criteria. The Ohio JSRP was an activity pursued by some JOBS program clients in Ohio to fulfill their responsibilities in order to receive aid. The JSRP was a three-fold support program designed to facilitate entry to and success in programs of study at two-year community or technical colleges. We evaluated this state welfare policy while simultaneously dealing with methodological issues associated with the use of the different state administrative data sets.

Holzer, Harry, J. 1996. "Employer Skill Needs and Labor Market Outcomes by Race and Gender," Discussion Paper 1087-96, Institute for Research on Poverty, University of Wisconsin

In this paper I use data from a recent survey of employers to investigate the effects of employer skill needs on the wage levels and employment of newly hired workers, and especially on how these outcomes differ by race and gender. The skill needs are measured by various human capital credentials required of applicants at the hiring stage (educational attainment, specific experience, prior training) and by the daily task performance of those who are newly hired (reading/writing, arithmetic, use of computers). The results show that few new jobs are available to those workers who lack most of these credentials or who cannot perform most of these tasks. This is true even of jobs that do not require applicants to have college degrees.

Holzer, Harry. 1996. "Employer Demand, AFDC Recipients, and Labor Market Policy," Discussion Paper 1115-96, Institute for Research on Poverty, University of Wisconsin-Madison

This paper discusses the potential labor market prospects of AFDC recipients who will be required to work under the new welfare legislation. Various characteristics of available low-skill jobs are compared with

those of long-term AFDC recipients, and more general evidence on the labor market experiences of welfare recipients is reviewed. From these data, the potential availability of employment and wage levels that recipients will face in the labor market is inferred. The data suggest that job availability for long-term recipients will be quite limited, especially in the short run; many will likely be plagued by lengthy durations of nonemployment, as well as high job turnover and low wages and benefits when they do work. The implications of these findings for labor market policy are then discussed.

Holzer, Harry J. 1995. "Job Availability for Long-term AFDC Recipients." ***Focus*** **v. 17 n. 1 Institute for Research on Poverty, University of Wisconsin-Madison**

If all AFDC recipients were required to seek work, how many would be able to find private sector employment within a reasonable time? A survey of 3000 employers that focused on the job characteristics and employee hiring behavior for the jobs that are available to less educated workers found the following: the vast majority of jobs involve interacting with customers, reading comprehension, writing skills, and some computations. Two, job requirements for firms located in central cities are higher than those located in the suburbs. Three, for jobs that do not involve much reading or writing, employers often seem to prefer less educated Hispanics or whites over African-Americans. What are the characteristics of most AFDC recipients? Most are concentrated in low income inner-city neighborhoods, with little access to transportation and employment networks. About 60% are high school drop-outs who score poorly on tests of cognitive ability. Over half are African American. These women will be competing for any available jobs with a fairly large pool of less-skilled individuals who are already in the labor market. A significant fraction therefore may not be able to find work immediately and many of those who do will likely experience high job turnover. Although the market may partially adjust to this influx of workers, it seems likely that job training and placement, transportation assistance and some measure of public job creation will be necessary if long term AFDC recipients are to move from welfare to work.

Holzer, Harry J. 1996 . ***What Employers Want: Job Prospects for Less Educated Workers,*** **New York: Russel Sage Foundation**

The substantial deterioration in employment and earnings among the nation's less-educated workers, especially minorities and younger males in the nation's big cities, has been tentatively ascribed to a variety of causes: an increase in required job skills, the movement of companies from the cities to the suburbs, and a rising unwillingness to hire minority job seekers. What Employers Want is the first book to replace conjecture about today's job market with first-hand information gleaned from employers about who gets hired. Drawn from a survey of over 3,000 employers in four major metropolitan areas--Los Angeles, Boston, Atlanta, and Detroit--this volume provides a wealth of data on what jobs are available to the less-educated, in what industries, what skills they require, where they are located, what they pay, and how they are filled. The evidence points to a dramatic surge in suburban, white-collar jobs. The manufacturing industry--once a steady employer of blue-collar workers--has been eclipsed by the expanding retail trade and service industries, where the vast majority of jobs are in clerical, managerial, or sales positions. Since manufacturing establishments have been the most likely employers to move from the central cities to the suburbs, the shortage of jobs for low-skill urban workers is particularly acute. In the central cities, the problem is compounded and available jobs remain vacant because employers increasingly require greater cognitive and social skills as well as specific job-related experience. Holzer reveals the extent to which minorities are routinely excluded by employer recruitment and screening practices that rely heavily on testing, informal referrals, and stable work histories. The inaccessible location and discriminatory hiring patterns of suburban employers further limit the hiring of black males in particular, while earnings, especially for minority females, remain low. Proponents of welfare reform often assume that stricter work requirements and shorter eligibility periods will effectively channel welfare recipients toward steady employment and off federal subsidies. What Employers Want directly challenges this premise and demonstrates that only concerted efforts to close the gap between urban employers and inner city residents can produce healthy levels of employment in the nation's cities. Professor Holzer outlines the measures that will be necessary--targeted education and training programs, improved transportation and job placement, heightened enforcement of antidiscrimination laws, and aggressive job creation strategies.

Repairing urban labor markets will not be easy

Hoynes, Hilary Williamson. 1996. "Work, Welfare, and Family Structure: A Review of the Evidence," Discussion Paper 1103-96, Institute for Research on Poverty, University of Wisconsin-Madison

Support for reforming the welfare system in the United States is widespread, as evidenced by legislative action by many states and, most recently, the federal government. Although part of the interest in reform is fiscally motivated, interest also exists in making significant changes to address two prominent criticisms of the current system of public assistance in the United States: (1) the system has significant, adverse, work incentives; and (2) the system discourages the formation of two-parent families and is responsible in major part for the high and rising rates of female headship and out-of-wedlock births. This paper uses the available empirical evidence to explore the validity of these criticisms and to evaluate the impact of various reforms. The programs examined include Aid to Families with Dependent Children, Food Stamps, and Medicaid. The paper relies on evidence based on three sources of variation in welfare policy: cross-state variation, over-time variation, and demonstration projects at the state level. The conclusions are that current reforms aimed at reducing female headship and nonmarital births, such as "family caps," eliminating benefits for teens, and equal treatment of one- and two-parent families, are unlikely to generate large effects. Changes in implicit tax rates and benefit formulas may increase work among current recipients, but overall work effort may not be affected. These predictions should be accompanied by a word of caution: many of the proposed changes have never been implemented at the state or federal level and require out-of-sample predictions. Current state experimentation may help fill this gap.

Hoynes, Hilary Williamson. 1996. "Local Labor Markets And Welfare Spells: Do Demand Conditions Matter?" Discussion Paper 1104-96, Institute for Research on Poverty, University of Wisconsin-Madison

This paper examines the role of local labor markets in determining how long families receive benefits from the Aid to Families with Dependent Children (AFDC) program. Given the current policy emphasis on devolution and reducing the AFDC caseload through employment, understanding the role of local labor demand is important. The study uses a unique data set based on administrative data that has detailed information on welfare spells for over 100,000 AFDC cases. The empirical work is based on estimates of a duration model where the hazard rate is a function of demographic characteristics, local labor market variables, neighborhood characteristics, county fixed effects and time effects. Several alternative measures of local labor market conditions are used; the results show that high unemployment rates, lower employment growth, lower employment-to-population ratios, and lower wage growth are associated with longer welfare spells. On average, a typical employment fluctuation over the business cycle, if permanent, would lead to an 8 to 10 percent reduction in the AFDC caseload. Typical changes in real quarterly earnings generate somewhat smaller effects. The combined effect of these changes, if permanent, would lead to sizeable reductions in the caseload, on the order of 15 percent. The estimated labor market effects are robust to including county level fixed effects and time effects. AFDC-UP participants, blacks, and residents of urban areas are more sensitive to changes in economic conditions while teen parents and refugee groups are found to be much less sensitive to changes in local labor market conditions.

Hoynes, Hilary Williamson. 1996. "Welfare Transfers in Two-Parent Families: Labor Supply and Welfare Participation under AFDC-UP," IRP Reprint Series *748*, Institute for Research on Poverty, University of Wisconsin-Madison

Reprinted from *Econometrica*, Vol. 64, no. 2 (March 1996), pp. 295-332 This paper examines the effect of cash transfers and food stamp benefits on family labor supply and welfare participation among two-parent families. The Aid to Families with Dependent Children-Unemployed Parent Program has provided cash benefit to two-parent house holds since 1961. Despite recent expansions little is known about the programs effect on labor supply and welfare participation. I develop a model of family labor supply in which hours of work for the husband and wife are chosen to maximize family utility subject to a family budget

constraint accounting for AFDC -UP benefits and other tax and transfer programs. The husband's and wife's labor supply decisions are restricted to no work, part-time work, and full-time work. Maximum likelihood techniques are used to estimate parameters of the underlying hours of work and welfare participation equations. The estimates are used to determine the magnitude of the work disincentives effects of the AFDC-UP program, and to simulate the effects of changes in the AFDC-UP benefit and eligibility rules on family labor supply and welfare participation. The results suggest that labor supply and welfare participation among two-parent families are highly responsive to changes in the benefit structure under the AFDC-UP program.

Hoynes, Hilary Williamson. 1995. "Does Welfare Play any Role in Female Headship Decisions," Discussion Paper 1078-95, The Institute for Research on Poverty, University of Wisconsin-Madison

During the last thirty years, the composition of white and black families in the United States has changed dramatically. In 1960, less than 10 percent of families with children were headed by a single mother, while in 1990 more than 20 percent of families with children were female-headed households. A large body of research has focused on the role of the U.S. welfare system, and in particular, the Aid to Families with Dependent Children (AFDC) program, in contributing to these dramatic changes in family structure. Most studies use cross-sectional data and identify the effect of welfare on female headship through interstate variation in the AFDC program. Recent research finds that controlling for state effects has a large impact on the estimated welfare effect. This paper examines why state effects matter for estimating the role of welfare in female headship decisions by examining the importance of individual effects and policy endogeneity. A natural explanation for why state effects matter is that the composition of the population across the states differs, and the composition is related to the generosity of the state's

Hoynes, Hilary Williamson. 1995. "The Effectiveness of Financial Work Incentives in DI and SSI: Lessons from Other Transfer Programs," Discussion Paper 1073-95, Institute for Research on Poverty, University of Wisconsin-Madison

The Disability Insurance Program (DI) and the Social Security Insurance Program (SSI) are the primary cash transfer programs for the disabled. We compare the potential outcomes of using financial inducements as a means to increase the work incentives to those who are on DI, and earnings replacement program, or SSI, a means-tested transfer program not tied to previous work experience. Our assessment of the existing research on work incentives in programs for the nondisabled leads us to urge caution in relying on simple financial inducements as means of work-incentive reform without further, concrete evidence of their effectiveness.

Hoynes, Hilary W. and T. MaCurdy. 1994. "Has the Decline in Benefits Shortened Welfare Spells?" IRP Reprint Series 720, Institute for Research on Poverty, University of Wisconsin-Madison

In this paper we explore how one important dimension of welfare dependency has changed over the last two decades, namely, dependency measured by lengths of welfare spells. After identifying the trends underlying the shifts in the distribution of spells, we explore three sources for explaining the observed shifts: (I) changes in the composition of the recipient population; changes in public assistance benefits for female heads of household; and (iii) changes in labor market opportunities. To accomplish this task the paper draws heavily on empirical findings developed in Hoynes and MaCurdy (1993). Summarized briefly, these findings show that the length of welfare spells decreased significantly between the mid-1970's and the early 1980's but increased in the 1980's. While changes in welfare benefits play some role in explaining the trends in welfare dependency, changes in labor-market opportunities appear to play even a smaller role. After controlling for demographic and economic variables, some of the trend in welfare dependency persists.

Institute for Research on Poverty. 1997. *"Evaluating Comprehensive State Welfare Reforms: A Conference,"* Institute for Research on Poverty Special Report no. 69, University of Wisconsin-Madison

Kaplan, Thomas, "Introduction: Evaluating State Welfare Reforms"; Corbett, Thomas, "The Next

Generation of Welfare Reforms: An Assessment of the Evaluation Challenge"; Haveman Robert, "Potentials and Problems of a Pre-Post Design for State Based Evaluations of National Welfare Reform"; Cancian, Maria and B. Wolfe, "Outcomes of Interest, Evaluation Constituencies, and the Necessary Trade-offs"; Cain, Glen G., "Controlled Experiments in Evaluating the New Welfare Reform Programs"; Piliavin, Irving and M. Courtney, "Prospects for Comparing Wisconsin Works to Welfare Reform Programs outside the State"; Kaplan, Thomas and D.R. Meyer, "Toward a Basic Impact Evaluation of Wisconsin Works"; Corbett, Thomas and E. Boehnen, "Wisconsin Works: A View from the Ground"; Holden, Karen C. and A. Reynolds, "Process Evaluation of W-2: What It Is, Why It Is Useful, and How to Do It"; Wiseman, Michael, "A Management Information System For Wisconsin Works"; David, Martin H., "Monitoring Income For Social and Economic Development"; Sandefur, Gary and M. Martin, "Evaluating the Impacts of W-2 on Family Structure and Maternal and Child Health: A Brief Background Paper"; Folk, Karen Fox, "Evaluation of Child Care Services Under the Wisconsin Works Program"

Institute for Women's Policy Research. 1997. Domestic Violence and Welfare Receipt Recent research indicates that domestic violence may be a problem for many women on welfare. Estimates of the percentage of women recipients who experience abuse range from 20 to 80 percent. However, not much is known about how this violence affects patterns of welfare and work. It is generally accepted that battered women may find it especially difficult to obtain jobs or become self-sufficient, and the new welfare law, the Personal Responsibility and Work Reconciliation Act (the PRWORA) of 1996 acknowledges this through special provisions in the law. The adequacy of these provisions is, however, questionable."

Isserman,-A.M.; Rephann,-T.J. 1993. "Geographical and gender differences in labor force participation: Is there an Appalachian effect," *Growth and Change*, Fall v. 24 (4) p. 539-578. University of Kentucky

A recent study concluded that West Virginia's low labor force participation rates cannot be attributed to economic, demographic, or institutional factors and that they probably result from an Appalachian culture which has a strong preference for non-market activities. A new study reviews the diverse social science literature on determinants of labor force participation and takes a closer look at Appalachian participation. A more comprehensive model is presented that focuses on the county level rather than the state, and examines variations within Appalachia and over time. The main findings are that the Appalachian labor force gap is either non-existent or very small and that there is no statistical evidence of a unique or pervasive Appalachian cultural effect. Appalachian labor force behavior appears to be quite average given the conditions faced by Appalachians.

Jensen-L. 1995. "Employment hardship and rural minorities." *Western-Wire* No. AUTUMN, 29-32

Employment hardship is defined by both job quality and access to employment. In the USA, the rate of working poverty (proportion of full-time workers whose income is below 125% of the poverty line) is particularly prevalent in non-metropolitan areas and is especially apparent among non-metropolitan minorities. Factors contributing to the economic hardship of rural minorities are discussed: human capital theory, status attainment, discrimination, and uneven spatial patterns of development along racial and ethnic lines. Policies are needed to address the special problems that arise from rural residence and minority group status. These include educational programme initiatives, training, incentives for business development in rural areas of high minority concentration, and policies to address the lack of public transport and other facilities in rural areas.

Kaplan, April. 1997. Teen Parents and Welfare Reform Policy. Welfare Information Network

While only a small portion of welfare recipients are teen mothers, most long-term recipients were teenagers when they went on welfare. However, a U.S. Department of Health and Human Services 1993 study found that only 25% of teen parents were involved in the Job Opportunities Basic Skills (JOBS) program. Recently, this has begun to change. States are focusing on teen parents in their welfare-to-work programs, mandating school attendance, and requiring them to live in adult-supervised settings."

Kaplan, Thomas. 1997. "Welfare Policy and Caseloads in the United States: Historical Background" in *Informing the Welfare Debate: Perspectives on the Transformation of Social Policy*. Institute for Research on Poverty Special Report #70. University of Wisconsin-Madison.

As context for the termination of Aid to Families with Dependent Children (AFDC) program during 1966, this paper reviews the history of welfare in England and the United States, giving special attention to the establishment of AFDC in 1935 and its subsequent evolution. A distinguishing characteristic of AFDC was a steady increase in caseloads until 1994, with two periods of especially rapid growth. The paper discusses sources of, and reactions to, that growth. The paper also argues that, despite the recent replacement of AFDC with a federal block grant, several enduring themes in the history of welfare continue.

Kass, David. 1995. "The impact of waivers on children," *Public Welfare* 53, Wint '95, pp. 34-7

Part of a special section on the debate over the federal waiver from the U.S. Department of Health and Human Services (HHS) under Title IV, Section 1115, of the Social Security Act that allows states to implement welfare demonstration programs. The current waiver process poses significant risks for children. Many waivers do not strike a reasonable balance between testing the potential benefits of a proposal and the responsibility to safeguard children. Although the HHS requires states to conduct a general evaluation of waiver activities, it often does not require them, as part of their evaluations, to examine the possible damaging effects on low-income children of reducing family incomes. The Children's Defense Fund, of which the writer is a senior program associate with the Family Division, believes that a child impact evaluation should be conducted and should be necessary for any waiver that may have a negative impact on children.

Keane, Michael and R. Moffit. 1996. "A Structural Model of Multiple Welfare Program Participation and Labor Supply," Discussion Paper 1080-96, The Institute for Research on Poverty, University of Wisconsin-Madison

One of the long standing issues in the literature on transfer programs for the U.S. low-income population concerns the high cumulative marginal tax rate on earning induced by participation in the multiplicity of programs offered by the government. Empirical work on the issue has reached an impasse partly because the analytic solution to the choice problem is intractable and partly because the model requires the estimation of multiple sets of equations with limited dependent variables, an estimation problem which until recently has been computationally infeasible. In this paper we estimate a model of labor supply and multiple program participation using methods of simulation estimation that enable us to solve both problems. The results show asymmetric wage and tax rate effects, with fairly large wage elasticities of labor supply but very inelastic responses to changes in cumulative marginal tax rates, implying that high welfare tax rates do not necessarily induce major reductions in work effort.

Kimmel, Jean. 1996. "Reducing the Welfare Dependence of Single-Mother Families: Health-Related Employment Barriers and Population," Staff Working Paper 96-43, Kalamazoo, MI:Upjohn Institute

The problem of rising health care costs and the related increased dependency on health insurance coverage has moved to the forefront of the U.S. policy agenda in recent years and was a fundamental component of President Clinton's 1992 campaign platform. However, the President's 1994 health care reform proposal was unsuccessful, and current GOP proposals to cut the rate of growth of Medicare and Medicaid spending while the eligible population and costs both continue to grow fail to address the problem of coverage. In fact, one likely side effect of the cost-shifting to private insurance carriers will be to increase the ranks of the uninsured. This paper addresses one aspect of the coverage problem: specifically, how do the competing interests of public and private coverage for single mothers affect these mothers' willingness to participate in the labor market? And, how might restrictions concerning welfare eligibility currently undergoing legislative debate enter into the equation?

Kilkenny-M; Schluter-G; Johnson-SR (ed.); Martin-SA. 1993. "The effects of farm productivity and income support on the rural economy" in *Industrial-policy-for-agriculture-in-the-global-economy*, 73-86; 8 ref.

Public support for agriculture in the USA ranges across a variety of approaches, from spending on agricultural research and extension to direct income transfers. This support varies over time. In 1982, support for agricultural research and education amounted to $1000 million, while income support totaled $1200 million. By 1986, support for agricultural research and education remained at $1000 million, yet income support had risen to $13 400 million. This paper compares how these two types of support affect rural economic activity and income. The costs and benefits of productivity improvements and of farm income transfers are traced through input-output and income expenditure links using a computable general equilibrium (CGE) model that highlights rural/urban and farm/non-farm interdependencies. Using the model, it is found that a dollar spent on agricultural research and extension over the years 1982-86 results in 2.26% annual total factor productivity growth, and it appears to stimulate a 90 cent net additional real economic activity economywide. The equivalent amount of money spent on direct transfers stimulates only ten cents of rural net additional real economic activity; it actually costs the whole economy an additional 12 cents real output foregone for every dollar transferred over the same five year period.

Kimmel, Jean. 1994. Rural Wages and Returns to Education: Differences Between Whites, Blacks, and American Indians, Staff Working Paper 94-27, Kalamazoo, MI: Upjohn Institute

Workers in rural areas earn lower wages than nonrural workers and previous evidence has attributed these differences to lower returns to worker characteristics. This paper builds on that data by examining racial and gender differences within the broader group of rural workers. While there is extensive evidence on both the structure of wages and the source of racial wage differentials between Whites and Blacks, there is no such evidence for those in either group living in rural areas. Nor is there much evidence in this literature for American Indians. This paper's contribution to the literature is two-fold. First, it broadens the existing evidence regarding rural workers by focussing on racial and gender differences. Second, it provides new evidence of the structure of wages faced by American Indians, a group typically ignored in empirical research due to data problems. The results reveal that only 14 percent of the 24 percent total wage difference between Whites and American Indians for males are unexplained by observable personal and job characteristics, but 66 percent of the 11 percent wage difference remains unexplained for females. Comparing Whites and Blacks, 44 percent of the 31 percent wage difference is unexplained for males, while 97 percent of the 15 percent wage difference is unexplained for females. With the rural focus, Whites are more similar to American Indians, both experiencing very small wage returns to education. However, in both samples, Blacks suffer disproportionately severe penalties for low educational attainment. For all three races, females enjoy much higher returns to education than males.

Kingsley, Thomas. 1997. "Federal Housing Assistance and Welfare Reform: Uncharted Territory," The New Federalism (No. A-19), Washington D.C.:Urban Institute

Federal housing assistance was seldom mentioned in the mid-1990s' debate over devolution of America's social safety net. Yet in FY 1995, federal outlays for housing assistance to the poor ($19 billion) exceeded those for Aid to Families with Dependent Children (AFDC) by $7 billion. A sizable share (about one-fifth) of households that receive AFDC also benefit from federal housing subsidies administered by the U.S. Department of Housing and Urban Development (HUD). Moreover, those receiving HUD assistance account for a much larger share of long-term welfare recipients—those likely to have the most difficulty finding and retaining employment—than welfare families that don't receive federal housing assistance. Among AFDC beneficiaries in 1994, for example, the median cumulative period of welfare recipiency for those who also received HUD assistance was 57 months; for those not receiving HUD assistance, the comparable period was 37 months. 1 Whether or not welfare recipients also receive housing assistance will greatly influence the immediate circumstances and, possibly, the longer-term opportunities of those directly affected by welfare reforms and cutbacks in related social programs. Welfare reform may also have a marked impact on the financial condition of HUD's housing programs. Tremendous variations in HUD assistance across states and localities (explained below), together with the new discretion states have been given to run their own welfare programs, mean that housing assistance and welfare interactions at the local level will significantly affect state responses to devolution.

Kinsey-JD; Smallwood-DM; Hallberg-MC; Hallberg-MC (ed.); Spitze-RGF (ed.); Ray-DE. 1994. *Domestic food aid programs.* Boulder: Westview Press

The purpose of domestic food aid is to alleviate hunger and improve the wellbeing of poor people. This is achieved in one of three ways: (i) by lowering food prices so that the poor can afford to purchase adequate food with the income available to them; (ii) by delivering food directly to the poor; and (iii) by providing the poor with adequate purchasing power to buy food at market prices. Food aid programmes in the USA are a mixture of (ii) and (iii). This paper presents facts about current US food aid programmes, their costs, the number of people they serve, and controversial policy issues surrounding the individual programmes. It goes on to examine estimates of the benefits to direct recipients, producers and society of the programmes. Further expectations for food aid are explored.

Klawitter, Marieka, R. Plotnick, and M. Edwards. 1996. "Determinants of Welfare Entry and Exit by Young Women," Discussion Paper 1099-96, Institute for Research on Poverty, University of Wisconsin-Madison

Using data from the youngest cohorts of women in the National Longitudinal Survey of Youth, this study constructs AFDC histories starting at age 15. Most young women go on AFDC for the first time between ages 18 and 25 and do so in the first few years after the birth of their first baby. We use these histories to estimate models of the determinants of initial use of AFDC and of the rate of exit from the first AFDC spell. The models show little evidence that welfare benefits affect the likelihood and timing of AFDC use, except that higher Medicaid benefits are associated with slower rates of exit from an initial AFDC spell. Parental welfare receipt, the home educational environment, family structure, academic achievement, attitudes toward school, and race are significantly related to the likelihood of participating in AFDC and the rate of entry and exit.

Klawitter, Marieka M. and I. Garfinkle. 1991. "The Effects of Routine Income Withholding of Child Support on AFDC Participation and Costs," Discussion Paper 961-91, Institute for Research on Poverty, University of Wisconsin-Madison

Routine income withholding, mandated by the family support act of 1988, is one of several child support reforms currently being implemented nationwide. In routine income withholding, child support payments are deducted from the paychecks of non-resident parents and transferred to resident parents by a state agency. Routine withholding has previously been shown to increase payments by 11 to 30 percent. Using data from a Wisconsin demonstration of routine withholding, we find small potential for increased child support collections in cases at-risk for AFDC participation because of very low awards. An analysis of he effects of routine income withholding on AFDC participation rates and costs suggests that withholding had little or no effect on AFDC participation rates or public AFDC expenditures. Nevertheless, withholding is an important aspect of child support reform, and in conjunction with other reforms may have a significant impact on private and public transfers.

Kornfeld, Robert and Howard S. Bloom. 1997. Measuring Program Impacts in Earnings and Employment: Do UI Wage Reports from Employers Agree With Surveys of Individuals?, Working Paper, Joint Center for Poverty Research, Northwestern University and the University of Chicago

This paper attempts to determine whether wage records reported quarterly by employers to state Unemployment Insurance (UI) agencies provide a valid alternative to more costly retrospective sample surveys of individuals as the basis for measuring the labor market impacts of employment and training programs for low-income persons. This question is important because of the widespread and growing use of UI wage records for this purpose. We base our analysis on UI data and survey data for a sample of 12,318 low-income adults and out-of-school youths from 12 U.S. cities that were sites in the National Job-Training Partnership Act (JTPA)Study. The National JTPA Study was a Congressionally-mandated randomized experiment designed to measure the labor market impacts of JTPA programs for low-income persons. Our comparison of UI data and survey data indicates that for adult men, adult women, female youths, and all but a small subgroup of male youths, impact estimates based on UI data were comparable to those obtained from survey data, even though average earnings according to the survey data were somewhat higher than they were according to UI wage

records. We therefore conclude that UI wage records can provide a valid alternative to surveys for measuring program impacts on many, but not all, groups of low-income persons.

Koshel, Jeff. 1997. Indicators as Tools for Managing and Evaluating Programs at the National, State, and Local Levels of Government - Practical and Theoretical Issues, SR#73, The Institute for Research on Poverty, University of Wisconsin-Madison

This special report is the third in a series examining the emergence of social indicators as crucial tools in social policy governance strategies. Special Report No. 71, "Social Indicators and Public Policy in the Age of Devolution" (Brown and Corbett 1997), sets out a basic language for understanding social indicators and provides an overview of selected opportunities and challenges. Special Report No. 72, "Social Indicators of Child and Family Well-Being: A Profile of Six State Systems" (Brown, Kirby, and Botsko 1997), describes how six states—California, Florida, Massachusetts, Minnesota, Oregon, and Vermont—are using indicators in sophisticated ways for a variety of monitoring and management purposes, ranging from simple monitoring to goals-setting and accountability tasks. This special report, by Jeffrey Koshel of the National Research Council, extends our understanding of how *statistical* indicators can be used by "public administrators, elected officials, and advocates to oversee agency efficiency and measure program performance."

Kost, Kathleen A., D.R. Meyer, T. Corbett, and P.R. Brown. 1995. "Revising Old Child Support Orders: The Wisconsin Experience," Discussion Paper 1070-95, The Institute for Research on Poverty, University of Wisconsin-Madison

In an effort to make Wisconsin's child support cases more equitable and up-to-date, child support staff reviewed "old"child support orders in 13 of the state's 72 counties. (Reviewing old child support orders is now mandatory under the provisions of the Family Support Act of 1988.) Of the reviewed cases, only 21% were revised. Primary reasons for non-revision were the economic circumstances of the non-custodial parent (among welfare cases) and a lack of permission by the custodial parent (among non-welfare cases) to proceed. Revised orders increased substantially, an average of $116.00/month (77%). An alternative method of keeping orders current is to express them as a percentage of the non-custodial parent's income; these orders are kept up-to-date automatically and associated with large increases in collections.

Krissman-F. 1995. "Farm labor contractors: the processors of new immigrant labor from Mexico for Californian agribusiness," *Agriculture-and-Human-Values* 12: 4, 18-46; 118 ref.

The deteriorating living and working conditions suffered by California's farm workers and their families is associated with the escalating proportion of the agricultural labour market (ALM) provisioned by the state's farm labour contractors (FLCs). The increasing use of FLCs is the result of a restructuring strategy undertaken by Californian agribusiness to reduce the cost of labour, as well as responsibility for work place, labour, and immigration laws. The FLCs' rise to prominence as the bulwark between growers and workers within the state's ALM has been ensured by the internal dynamics of contractor firms. During almost three years of binational fieldwork in both California's San Joaquin Valley and rural Mexico, FLC management agents were found to cultivate sociocultural practices and provide socioeconomic services that diffuse management-labour conflict within the agricultural sector. However, the existing literature concerning the FLCs focuses upon the firm, not its labour agents; FLC heterogeneity is therefore emphasized, while ubiquitous management characteristics and practices are overlooked. As a result, recent legislation has had the unintended effect of augmenting the role played by management agents in 'processing' an unending flow of new immigrant workers through the 'revolving door' ALM, leading to the deterioration of conditions in rural California.

Ku, Leighton, Alicia Berkowitz, Frank Ullman and Marsha Regenstein. 1997. Health Policy for Low-Income People in Mississippi. Washington D.C.:Urban Institute

While many states are undergoing rapid health policy changes and upheavals, Mississippi has followed a different course. One reason is that this state starts out with economic and health disadvantages, such as poverty and poor health conditions, at a level not faced by other states. Another factor is that public and private

payers have been less insistent about reducing health care spending than in other states. Thus, for example, capitated managed care has grown rapidly elsewhere but comprises only a small share of the market in Mississippi.

Ku, Leighton and Bethany Kessler. 1997. The Number and Cost of Immigrants on Medicaid: National and State Estimates. Washington D.C.: Urban Institute

December 16, 1997 The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) made major changes in the eligibility of legally admitted immigrants for health insurance under the Medicaid program. In the past, immigrants were eligible for the full range of Medicaid benefits, like citizens.1 In contrast, undocumented (illegal) aliens were eligible only for emergency medical benefits, not full coverage. Under the new welfare reform law, with certain exceptions, noncitizen immigrants who arrive in the U.S. after August 1996 will be barred from Medicaid, although they may still be covered for emergency services. Assessing the impact of this change has been problematic because there are few data about the number and costs of immigrants on Medicaid. This report provides national and state-by-state estimates of the number and cost of noncitizen Medicaid beneficiaries.

Ku, Leighton and T.A. Cougin. 1997. "How the New Welfare Reform Law Affects Medicaid," *New Federalism*, Series hIA, No. A-1, The Urban Institute : Washington D.C. This policy brief discusses the four principal changes made to Medicaid eligibility by the welfare reform legislation: Decoupling welfare and Medicaid eligibility; Narrowing Medicaid eligibility for disabled children in the Supplemental Security income (SSI) program; Terminating access to Medicaid for some legal immigrants because they lose SSI; and Barring most future legal immigrants from Medicaid. It also reviews how the new provisions may potentially affect key parties—state and local governments, health care providers, and beneficiaries. Critical decisions will be made by state legislatures and executive agencies in the next several months as they implement the changes in federal rules.

Kusmin-LD; Redman-JM; Sears-DW. 1996. Factors associated with rural economic growth: lessons from the 1980s. Technical-Bulletin -United-States-Department-of-Agriculture. 1996, No. 1850, vii + 62 pp. + app.; 48 ref.

This report identifies characteristics of rural areas conducive to economic growth. Its analysis explains growth in total real earnings in non metro US counties from 1979 to 1989 using multiple regression analysis. Factors associated with improved county earnings were attractiveness to retirees, right-to-work laws, high levels of high school completion rates, public education expenditures, and access to transport networks. Factors associated with poor earnings growth include higher wage levels and concentrations of transfer-payment received. Counties with higher concentrations of African-Americans also experienced slowed earnings growth, although the reasons for that association cannot be identified from this analysis. The mix of industries active in a county and the rate of earnings growth in nearby counties were also strongly associated with county earnings.

Lane, Julia, JinPing Shi, and David Stevens. 1997. New Uses of Administrative Data in Welfare-To-Work Policy, Working Paper, Joint Center for Poverty Research, Northwestern University and the University of Chicago

The use of administrative records in analysing welfare-to-work transitions is a relatively new field of research. In this paper we use a new administrative dataset which merges the universe of employer records with the universe of AFDC records with the purpose of illustrating the potential uses of such data. The advantages of such research are clear: the sample size is usually quite large; the data are longitudinal in nature; data are available on both AFDC recipients and employers and the data are timely. However, the full potential of the dataset cannot be exploited without a careful consideration of the definitions which are used; a relatively painstaking analysis of the types of transitions that are possible; and an exploration of the consequences of different choices.This paper attempts to address these issues in some detail. Although one aim of the paper is, as indicated by the title, to identify the incidence and persistence of hiring decisions by employers, the other is to highlight the sheer magnitude of data issues raised when faced with a rich dataset of this type.

Accordingly, we provide (after a background selection) a very detailed description of the datasets used in the process of merging them into the analytical dataset. We follow this by a descriptive section which describes the main welfare-to-work transition patterns followed by AFDC recipients. The empirical section exploits the longitudinal nature of the dataset, by going beyond a simple placement rate analysis of AFDC hiring. It represents a first pass at describing those employer characteristics which are correlated with "successful" transitions to work, using two different perspectives, as well as two measures of "success". The concluding section provides some lessons of experience.

Leigh, Duane E. 1993. "Did FIP Increase the Self-Sufficiency of Welfare Recipients in Washington State? Evidence From the FIS Data Set, " Discussion Paper 1012-93, Institute for Research on Poverty, University of Wisconsin-Madison

The author estimates the effect of the Family Independence Program (FIP) on the economic self-sufficiency of welfare recipients in Washington state. He finds that, as designed, enrollment in employment and training activities increased under FIP. FIP had no impact, however, on employment rates and earnings, and it actually led to increased in welfare participation and welfare benefits. According to the author FIP introduced incentives to remain on welfare; this, along with its failure to encourage job placement and development, is probably to blame for the programs effects on welfare dependency. Data are from the Family Income Study longitudinal survey

Levine, Phillip B. and D.J. Zimmerman. 1996. "The Intergenerational Correlation in AFDC Participation: Welfare Trap or Poverty Trap?" Discussion Paper 1100-96, The Institute for Research on Poverty, University of Wisconsin-Madison

Several recent studies have show that daughters whose mothers have participated in the welfare program Aid to Families with Dependent Children (AFDC), are themselves more likely to participate in AFDC when they head their own household. Other studies have shown that the earnings of parents and their children are highly correlated across generations. This suggests that any variable correlated with income-such as AFDC participation-will also be correlated across generations. This paper uses data from the original and youth cohorts of the National Longitudinal Surveys to investigate the question of whether the link in mother daughter welfare participation is a causal relationship, or whether it can be explained by the expected intergenerational correlation in earnings. Several reduced form probit equations are estimated, and attention is directed to the potential endogeneity of key explanatory variables. The empirical findings suggest that much of the observed correlation in AFDC participation across generations can be explained by the intergenerational correlations of income and other family characteristics.

Levine, PhillipB. and D.J. Zimmerman, 1996. "An Empirical Analysis of the Welfare Magnet Debate Using the NLSY," Discussion Paper 1098-96, Institute for Research on Poverty, University of Wisconsin-Madison

This paper examines the extent to which differences in welfare generosity across states lead to interstate migration. Using micro data from the National Longitudinal Survey of Youth between 1979 and 1992, we employ a quasi-experimental design that utilizes the categorical eligibility of the welfare system. The "treatment" group consists of all those in the survey who appear eligible to participate in aid to Families with Dependent Children. The "control" group contains those who are poor but ineligible for other reasons. The pattern of cross-state moves among poor single women with children who are likely to be eligible for benefits (treatment-group members) is compared to the pattern among other poor households. We find little evidence indicating that welfare-induced migration is a widespread phenomenon.

Lichter-DT; McLaughlin-DK. 1995. "Changing economic opportunities, family structure, and poverty in rural areas," *Rural-Sociology*. 1995, 60: 4, 688-706; 40 ref.

Industrial restructuring in the 1980s ushered in a new pattern of growing economic diversity over geographic space. This study examines the extent and aetiology of changing spatial inequality between and within US metropolitan (metro) and non metropolitan (non metro) areas, as measured by increasing or

decreasing county poverty rates. Results based on data from the 1980 and 1990 census summary tape files suggest several conclusions. First, poverty rates increased more rapidly in non metro than metro counties during the 1980s; historical patterns of metro-non metro economic convergence slowed over the past decade. Second, poverty rates tended to decline in non metro counties with traditionally high rates of poverty, thus providing counter-evidence to arguments suggesting that the gap between traditionally poor and non-poor non metro counties has widened. Third, spatial differences in poverty rates and relative increases in county poverty rates over the 1980s were most strongly associated with women's employment and headship status. The results raise questions about the extent to which traditional rural economic development strategies address the potentially deleterious economic effects of rising percentages of poor female-headed families.

Lin, I-Fen. 1997. "Perceived Fairness and Compliance with Child Support Obligations," Discussion Paper 1150-97, Institute for Research on Poverty, University of Wisconsin-Madison

This paper examines how the perceptions of nonresident fathers about the fairness of their child support orders affect their compliance with these orders. In particular, the study asks whether routine income withholding affects compliance in the absence of perceived fairness. The analytic sample includes 392 nonresident fathers who filed for divorce between 1986 and 1988 in the state of Wisconsin. Using the reports made by these fathers along with court records as an independent measure of their subsequent compliance with child support obligations over a 24-month period, the author concludes that fathers' perceptions of fairness increase their compliance with support orders. Moreover, routine income withholding has a greater effect on compliant behavior when fathers think their child support agreements are unfair than when they think their agreements are fair.

Long, Sharon K., and S.J. Clark. 1997. "The New Child Care Block Grant: State Funding Choices and their Implications," *New Federalism*, Series A, No. A-12, The Urban Instititute: Washington D.C.

Under the 1996 changes in welfare law states gain increased flexi-bility for designing and target-ing their child care assistance programs. They also assume addi-tional responsibilities for addressing the need for child care assistance. The child care block grant preserves some shared federal and state responsibility for child care funding by making a portion of the federal block grant funds dependent on the level of state child care spending. Under this new financing mechanism, total funds available for child care could change dramatically depending on a state's
own level of investment. Below we outline the changes in federal child care programs and explore the implications of alternative scenarios for child care funding across states.

Long, Sharon K., Demetra Smith Nightingale, and Douglas A. Wissoker. 1994. *The Evaluation of the Washington State Family Independence Program*, Urban Institute Report 94-1. Washington D.C: Urban Institute

This volume, the result of the Urban Institute's evaluation of the Washington State Family Independence Program (FIP), examines a state's effort to implement a welfare reform program designed to help welfare families become more economically self-sufficient. The implementation of FIP was expected, relative to the regular Aid to Families with Dependent Children program, to increase participation in education, training, and employment, which would in turn reduce welfare participation. FIP did not achieve these results. Relative to traditional welfare in the comparison sites, FIP had little or no impact on education and training; it reduced employment and earnings a little; and it increased welfare participation substantially. The authors present the data gathered by the Urban Institute over the past five years and analyze the reasons for FIP's failure to meet its original goals.

Loprest, Pamela J. 1997. "Supplemental Security Income For Children with Disabilities: Part of the Federal Safety Net," *New Federalism*, Series A, No. A-10, The Urban Institute: Washington D.C.

This brief estimates, by state, the number of children in low-income families likely to lose cash SSI benefits as the new law goes into effect. These estimates highlight the potential fiscal risks states face as their low-income families lose federal SSI benefits and need replacement income to fill the gap—income that could

depend predominantly on state efforts to increase employment among low-income family members or other state-funded safety net programs.

Loprest, Pamela and Gregory Acs. 1996. Profile of Disability Among AFDC Families, Washington D.C.: Urban Institute

Currently, some disabled persons receive cash assistance under the Supplemental Security Income (SSI) program, a program specifically designed to help the disabled and the elderly. But many disabled persons do not qualify for SSI benefits. Traditionally, poor families with children who do not qualify have been able to receive AFDC benefits. Unfortunately, little is known about the number and characteristics of such families. In addition, many women with less severe disabilities will need certain accommodations to be able to work or may have limited ability to work in the jobs available to them. The presence of children with disabilities in families on welfare, particularly single-parent families, can also inhibit work because of special child care needs. While the goal of the new welfare law may be for all AFDC recipients to work, access to necessary resources, ranging from special equipment or training to appropriate child care, varies substantially across states and localities.

Maloney, Tim. 1997. "The Impact of Recent Welfare Reforms on Labor Supply Behavior in New Zealand," Discussion Paper 1149-97, Institute for Research on Poverty, University of Wisconsin-Madison

New Zealand recently initiated sweeping reforms to its social welfare program by cutting benefits and tightening eligibility criteria. One of the objectives of these reforms was to provide incentives for people to enter or re-enter the labor force. Econometric analysis is used in this paper to isolate the actual effects of these benefit reforms on labor supply. Previous research has often failed to accurately measure the extent of these work disincentives, or to observe variation in these programs that would allow this empirical analysis to take place. The structure of the benefit programs and the nature of the reforms in New Zealand offer a unique opportunity to identify these behavioral responses. Quarterly random samples of individuals over the period 1987–1995 are used to isolate the effects of the reforms. This study finds compelling evidence that the recent benefit reforms in New Zealand increased both labor force participation and hours of labor supplied at the aggregate level.

Marcotte, John. 1994. "Welfare to Work: Can Administrative Data Kept by States be Used to Study the Duration of Program Participation?" Washington D.C.: The Urban Institute

Recent efforts to reform welfare programs have focused on limiting the duration of a spell on welfare to 24 months. After 24 months, clients would no longer be eligible for benefits. A central question that emerges from this policy is: what proportion of program participants have not left welfare by 24 months? Furthermore, how does that proportion vary over clients' social and demographic characteristics? Data to examine such questions must be longitudinal. Longitudinal data are usually collected in panel studies, and panel studies are expensive to implement. State administrative records might be a rich source of longitudinal data to study program participation. The purpose of this study is to assess whether administrative data kept by states can be used to study the duration of program participation. Programs under consideration are: public assistance (AFDC), food stamps, medical assistance and child support (IV-D).Can Administrative Data Kept by States be Used to Study the Duration of Program Participation?

Maynard, Rebecca, E. Boehen, T. Corbett, and G. Sandefur. 1997. "Changing Family-Formation Behavior Through Welfare Reform." Forthcoming.

This article summarizes key components of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) and examines a number of welfare reform demonstrations initiated under Section 1115 waivers of federal welfare policies. The authors are most interested in those waivers specifically designed to influence fertility, family formation and family maintenance behaviors. The overwhelming message is that the various welfare reforms are likely to have modest impacts on family formation and fertility. Most states that obtained waivers instituted changes in the eligibility and benefit formulas for unemployed parents in two-parent households (changes in the 100 hour rule, the work history rule and the 30 day rule) and many

imposed caps on benefits associated with additional children born while on AFDC (Family Caps). Early waiver reforms were directed at enhancing the labor supply of AFDC adult care takers through work related policies and programs but more recently other recipient behaviors have emerged as the focus of attention such as personal decisions about marriage and cohabitation, fertility decisions, and the quality of parenting. The conclusions are that the current rate of employment among welfare recipients can be substantially increased, however, few welfare recipients can expect to enjoy a comfortable standard of living on the wages they will receive ($6-7/hr). Again, any reform that forces a large number of recipients off the rolls will accelerate the decline in wages among unskilled workers.Therefore, to make employment an acceptable alternative to welfare the following provisions must be included: (1) part of the cost of child care for women off of welfare must be publicly financed; (2) public subsidies for health insurance for children in low to middle income families must be provided; and (3) the wage earnings of low to middle income families must be directly subsidized.

Maynard, Rebecca. 1995. "Subsidizing employment and Nom-Labor Market Alterrnatives For Welfare Recipients. In *The Work Alternative: Welfare Reform and the Realities of the Job Market,*" ed. Demetra Nihtingale and Robert Haveman. Washington D.C.: Urban Institute

McDowell-DR; Allen-Smith-JE. 1995. "Poverty among southern workers: metro and nonmetro differentials,"*American-Journal-of-Agricultural-Economics* 77: 3, 796-802; 19 ref.

This study analyses the differences in the sectoral distribution of poverty by contrasting factors affecting work and poverty in urban and rural areas in Southern USA. A brief review of selected studies on the plight of the working poor is presented followed by a descriptive analysis of the working poor in the South by poverty status and place of residence (urban or rural). A logistic regression analysis to determine the nature and magnitudes of selected factors in distinguishing the working poor living in urban areas from those living in rural areas is also presented. Poverty among the working poor is found to be more pervasive in rural areas.

McGranahan-DA; Kassel-K; Swanson-LL; Swanson-LL. 1996. "Education and rural minority job opportunities" in *Racial-ethnic minorities in rural areas: progress and stagnation,1980-90.*Agricultural-Economic-Report-Economic-Research-Service,-US-Department-of-Agriculture. No. 731, 5-25; 13 ref.

Rural minorities - Blacks, Hispanics, and Native Americans - are disadvantaged in rural US labour markets. Compared with non-Hispanic Whites, they are more likely to be jobless or, if they work, to work part-time or part-year. Rural minority workers earn less than non-Hispanic Whites, and this gap increased during the 1980's. Low levels of education have increasingly limited the economic opportunities of all three minorities, but only partly account for their low earnings. Other disadvantages differ among the minorities and between men and women. Native American men and women have extremely high rates of joblessness and little full-time work. Limited English ability and concentration in agriculture hamper Hispanic men - much more so than Hispanic women. Black men appear to face pay discrimination not found for other groups or for Black women. All of these problems tended to be more pronounced at the end of the 1980's than at the beginning.

McGroder, Sharon. 1997. "Parenting Among Low-Income, African-American Single Mothers with Preschool-age Children: Patterns, Predictors, and Developmental," Washington D.C.: Child Trends, Inc.

Dimensions and patterns of parenting were examined in a sample of 193 low-income African-American single mothers with preschool-age children. Factor analyses of 20 parenting variables yielded three dimensions: Aggravation, Nurturance, and Cognitive Stimulation. Cluster analysis was employed to ascertain how these three dimensions combined to yield patterns of parenting. Four patterns emerged:Aggravated, Nurturant, Low Cognitive Stimulation;Low Aggravation, Cognitively Stimulating;Low Aggravation, Nurturant, Low Cognitive Stimulation;;Low Nurturance. Ten demographic, maternal, parenting support, and child variables were used to predict membership in each of the four parenting clusters. Two discriminant functions emerged: the first representing maternal well-being, the second representing demographic characteristics. These two discriminant functions accounted for 93 percent of the variance

between groups and allowed the correct classification of 48 percent of cases -- a rate significantly better than chance. Children's scores on measures of verbal ability, school readiness, and personal maturity were related to parenting pattern. On all three child development measures, children with Aggravated, Nurturant, Low Cognitive Stimulation or Low Nurturance mothers scored lower than children with Low Aggravation, Cognitively Stimulating mothers. Findings are discussed in terms of contributions to the literature on parenting -- including the benefits of adopting a person-oriented approach to characterizing patterns of parenting -- and in terms of implications for welfare policy.

McMurrer, Daniel P., I.V. Sawhill, and R.J. Lerman. 1997. "Welfare Reform and Opportunity in the Low-Wage Labor Market," *Opportunity in America*, No. 5, Washington D.C.: Urban Institute

One measure of opportunity in any society is its ability to provide jobs for everyone who wants to work. With the enactment of welfare reform in 1996 this issue has taken on new salience. This brief addresses whether enough jobs are available for all those who are thrust into the labor market by welfare reform, whether former welfare recipients can compete successfully for those jobs, and—if they do find jobs—what their chances are of ever earning enough to become self-sufficient. We conclude that in today's strong economy many welfare recipients are successfully making the transition from welfare to work. Recent job growth and tougher welfare policies together have pulled and pushed into the job market many of those who would otherwise have remained dependent on government assistance. In the future, however, if the economy slow , the push may become stronger than the pull, and we could see as many as 100,000 to 150,000 additional new workers per year competing for a less rapidly growing number of jobs. Almost regardless of the state of the economy, the most disadvantaged are likely to encounter real difficulties in securing steady employment with the help of subsidized child care and other government assistance (such as the Earned Income Tax Credit and food stamps). And opportunities do exist for low-wage workers to move up the economic ladder rather quickly. But given their characteristics, many former welfare recipients who find entry-level jobs are unlikely to experience this upward mobility.

Mead, Lawrence. 1996. "Are Welfare Employment Programs Effective?" Discussion Paper 1096-96, The Institute for Research on Poverty, University of Wisconsin-Madison Employment programs meant to place welfare adults in work or training became an important part of Aid to Families with Dependent Children starting in the 1980's. These programs are effective if one means that they have positive impacts in evaluations, less so if one expects them to make a large and visible change in the welfare problem. In programs evaluated by the Manpower Demonstration Research Corporation, impacts on employment, earnings, and dependency are small in absolute terms but somewhat larger as a percentage of the control group mean. Impacts are understated in some studies because randomization occurred only after enrollment in the work program or because control members had access to equivalent services. Results are also depressed by the failure of many experimental to participate in the tested program. Programs raise the activity of experimental in work-related activities much more than they raise earnings or employment. Effects on dependency are understated because evaluations do not capture deterrent effects. The sharp decline in AFDC in Wisconsin in recent years suggests the power of work requirements to drive the rolls down.

Mead, Lawrence. 1996. "Welfare Policy: The Administrative Frontier," Discussion Paper 1093-96, The Institute for Research on Poverty, University of Wisconsin-Madison The process of national welfare reform has been overtaken by local reform as states implement experimental programs under federal waivers. Most of these initiative attempt to enforce work or otherwise control the lives of the dependents in return for support. Research, which traditionally stressed the social and economic aspects of welfare or poverty, must be reoriented to address the administrative issues raised by the emerging paternalism. A combination of field interviewing and analysis of reporting data can track implementation and connect program operations to outcomes. Such research assesses program performance less surely than experimental trials do but is more useful to operators and more relevant to current program goals. The frontiers of welfare research, like welfare policy, are institutional.

Mermin, Gordon and C. Eugene Steuerle. 1997. The Impact of TANF on State Budgets, New Federalism No. A-18, Washington D.C.: Urban Institute.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996consolidated three federal-state match-grant programs, Aid to Families with Dependent Children (AFDC),Emergency Assistance (EA), and the Job Opportunities and Basic Skills (JOBS) training program, into one block grant program. The new program, Temporary Assistance to Needy Families (TANF), gives states considerable spending flexibility, but also imposes new work requirements and time limits for welfare recipients. Estimating the fiscal impact on states of this switch to TANF is fraught with uncertainty, in no small part because it is dependent upon the economy and on state responses to the new grant structure. This uncertainty does not mean, however, that TANF's fiscal impact is totally unpredictable. Since TANF is fairly precise about how much federal assistance will be made available between now and 2002, one can calculate how much fiscal burden would be placed on states under simplifying but revealing assumptions. Such calculations do not provide a prediction of states' policy response to the new legislation, but they do reveal major fiscal incentives that will shape that response.

Meyer, Daniel R. and J. Bartfeld. 1997. "Patterns of Child Support Compliance in Wisconsin," Discussion Paper 1130-97, Institute for Research on Poverty, University of Wisconsin-Madison

This paper examines five-year compliance patterns among Wisconsin child support cases that came to court in 1986–88. We find only limited support for the common assumption that compliance with child support orders declines over time: the average percent paid is about .65 during each of the first five years. The most predominant trend is an increasing polarization into groups of nonpayers and full payers. Although we find considerable stability from year to year among nonpayers and full payers, there is considerable change over the course of five years. Compliance during the first year provides some indication of long-term compliance, but about half of fathers change their compliance rate over the period. We find important differences between divorced and nonmarital fathers, differences that are more pronounced than are apparent from a single year of data. Policy implications are discussed and further research is suggested.

Meyer, Daniel R. and M. Cancian. 1996. "Life after Welfare: The Economic Well-Being of Women and Children Following an Exit from AFDC," Discussion Paper 1101-96, Institute for Research on Poverty, University of Wisconsin-Madison

Much previous research has focused on the length of welfare spells and returns to welfare following an exit. Few quantitative studies have looked at broader indicators of the economic well-being of those who have exited AFDC. In this paper we use data from the National Longitudinal Survey of Youth (NSLY) to trace welfare use, poverty status, and primary sources of income in the five years following an exit from welfare. We find that while there is a trend toward improved economic status over time, 40 percent of women remain poor five years after exit. Women with more advantaged family backgrounds, those with fewer children, or with more education at exit are more likely to consistently escape poverty. Median income increases over the first five years from about $10,500 to about $15,000 (1992 dollars). Own earnings are the most prevalent income source, followed by spouse's earnings, and mean-tested transfers.

Meyer, Daniel R. 1993. "Child Support and Welfare Dynamics: Evidence from Wisconsin," IRP Reprint Series 681, Institute for Research on Poverty, University of Wisconsin-Madison

Reprinted from *Demography*, Vol 30, no. 1 (February 1993), pp. 45-62

This paper provides estimates of the effects of child support on exiting and reentering welfare for a sample of divorced women in Wisconsin. Modest amounts of child support do not have large effects on exiting welfare in this sample. The percentage of women who return to welfare is higher than has been reported previously. Receiving child support significantly decreases the probability of returning to welfare.

Moffit, Robert. 1997. "Incentive Effects of the U.S. Welfare System: A Review," IRP Reprint Series *668*, Institute for Research on Poverty, University of Wisconsin-Madison

Reprinted from the *Journal of Economic Literature*, Volume 30 (March, 1992), pp. 1-61.

This review surveys the results of research to date on the effects of the welfare system on work

incentives, welfare dependency, family structure, migration, and intergenerational transmission of dependency . The essay is organized around three sets of questions. The first set concerns the background to the problem, i.e., what are the major transfer programs to the poor? what demographic groups do they serve? etc. The second set is concerned with the available research evidence on the effects of existing programs on work effort, welfare receipt and turnover, family structure, migration, and intergenerational transmission. For example, does the available evidence indicate that the welfare system seriously reduces labor supply or encourages long-term dependency? The third set of questions concerns the expected impact of policy measures that have been proposed for improving levels of employment and earnings. Would lowering the benefit reduction rate solve the work incentive problem? Would training programs allow recipients to leave the rolls? Etc.

Moffit, Robert. 1996. "The Effect of Employment and Training Programs on Entry and Exit from the Welfare Caseload." ***Journal of Policy Analysis and Management*** **15, 1:pp. 32-50**

The effect of employment and training programs on the attractiveness of welfare is examined. Such programs may make welfare less desirable because the work-training program is viewed by recipients as a burden.

Moffit, Robert A., R. Reville, and A. E. Walker. 1995. "Beyond Single Mothers: Cohabitation, Marriage, and the U.S. Welfare System, " Discussion Paper 1068-95, The Institute for Research on Poverty, University of Wisconsin-Madison

We investigate the extent and implications of cohabitation and marriage among U.S. welfare recipients. An analysis of four data sets (the CPS, NSFH, PSID, and NLSY) shows significant numbers of cohabitors among recipients of AFDC. We also report the results of a telephone survey of state AFDC agencies conducted to determine state rules governing cohabitation and marriage. The survey results indicate that, in a number of respects, cohabitation is encouraged by the AFDC rules. Finally, we conduct a brief analysis of the impact of AFDC rules on cohabitation, marriage and headship and find weak evidence in support of incentives to cohabit.

Moffit, Robert A., R. Reville and A. E. Winkler. 1995. "State AFDC Rules Regarding the Treatment of Cohabitors: 1993," Discussion Paper 1058-95, The Institute for Research on Poverty, University of Wisconsin-Madison

Reprinted from the *Social Security Bulletin,* Vol. 57 no. 4 (Winter 1994) pp. 26-33

This article represents the results of a survey of State Aid to Families with Dependent Children (AFDC) rules regarding the treatment of unrelated cohabitors in households containing AFDC units. We examine State treatment of cash and in-kind contributions by cohabitors and find that the AFDC grant is usually not affected if the cohabitor makes in-kind contributions towards food and shelter expenses of the household. However, the grant generally is reduced if the cohabitor contributes cash to the AFDC unit unless the cash is for shared household expenses. In addition a few states have specific policies towards cohabitors that are not based on initial evidence of cohabitor contributions.

Moffit, Robert A. 1993. "The Effect of Work and Training Programs on Entry and Exit From the Welfare Caseload," Discussion Paper 1025-93, Institute for Research on Poverty, University of Wisconsin-Madison

To policy makers, the major attraction of work and training programs for welfare recipients is that they hold out the prospect that recipients can be moved off the rolls and into self-sufficiency in the private labor market, thereby decreasing welfare costs and caseloads. This paper considers the possibility that such programs may also affect the attractiveness of welfare in the first place, either by making welfare less desirable because the work-training program is viewed as a burden, or by making it more desirable because the program is viewed favorably by potential applicants. Such responses are termed "entry rate effects." Some empirical estimates of these effects are presented which suggest that entry; rate responses, whether positive or negative, may affect the caseload more than the direct effects of the program in moving recipients off the rolls.

Moffit, Robert and B. Wolfe. 1992. "The Effect of the Medicaid Program on Welfare Participation and Labor Supply," IRP Reprint Series 686, Institute for Research on Poverty, University of Wisconsin-Madison

Reprinted from The Review of Economics and Statistics, Vol. 74, no. 4 (November 1992), pp. 615-626

We examine the effect of the Medicaid Program on the labor supply and welfare participation decision of female heads of household. A key contribution is the development of a family-specific proxy for the valuation of Medicaid benefits. We find that Medicaid has strong and significant effects on labor supply and welfare participation that are negative and positive in sign, respectively, but which are concentrated in the tail of the distribution with the highest expected medical expenditures. We also find that the availability and level of private health insurance have very large effects opposite in sign to those of Medicaid.

Moore, Kristen A. and A.K. Driscoll. 1997. "Low-Wage Maternal Employment and Outcomes from Children: A Study," *The Future of Children: Welfare to Work* Vol. 7, No. 1

This article presents the results of a new study using national survey data to examine child outcomes among families that had previously received welfare. About half the families studied had mothers who remained at home, the others were working at varying wage levels. The authors found that maternal employment does not appear to undermine children's social or cognitive development from ages 5 to 14, and it may yield advantages. Children whose mothers earned more that $5.00 per hour, particularly, had somewhat better outcomes that others. The authors emphasize, however, that background characteristics specific to the mothers who chose employment contributed to these positive outcomes. The authors add that it would be risky to apply these generalizations based on these findings to families required to take jobs by welfare reform

Moore, Kristen A. 1996. How Well are They Faring? DHHS Office of Planning and Evaluation

AFDC Families with Preschool-Aged Children in Atlanta at the Outset of the JOBS Evaluation. This report is the first in a series of reports which will examine child development and mother-child relations over five years among 790 Atlanta families with children 3 - 5 years whose mothers are receiving welfare. As a part of a larger multi-site evaluation of mothers' mandated participation in the most widely implemented welfare-to-work program, the Job Opportunities and Basic Skills training program (JOBS), the report also sets the stage for examining longer range program impacts on children. This first look at families in the Atlanta site reveals both warning indicators of risks for children's development and important family strengths that policy makers may be able to build upon to enhance long-term prospects for children and mothers who are living in poverty.

Nicholson-Butkus-S. 1996. "Health professionals' values associated with support for food assistance and nutrition education programs," *Journal-of-Nutrition-Education* 28: 2, 109-114; 15 ref.

Personal characteristics and values associated with support for food assistance and nutrition education programmes were investigated in 3 groups of health professionals (USA). Nearly 1500 dietitians and members of the public health and rural health associations responded to a mail survey. Support for food assistance was positively associated with high values for food assistance, equity (support for opportunities for the poor, minorities and women), and younger age respondents. Support for educational programmes was most strongly associated with the values of equity, support for the environment and family and being a nutritionist.

Nightingale, Demetra Smith and Nacy Pindus. 1997. Privatization of Public Social Services: A Background Paper. Washington D.C.: Urban Institute

The purposes of the paper are to provide a general overview of the extent of privatization of public services in the areas of social services, welfare, and employment; rationales for privatizing service delivery, and evidence of effectiveness or problems. Examples are included to highlight specific types of privatization and actual operational experience. The paper is not intended to be a comprehensive treatment of the overall subject of privatization, but rather a brief review of issues and experiences specifically related to the delivery of employment and training, welfare, and social services.

Nightingale, Demetra Smith. 199 . "Work-Related Resources and Services: Implications for TANF," Washinton D.C: Urban Institute

The views expressed are those of the authors and do not necessarily reflect those of the Urban Institute, its board, its sponsors, or other authors in the series. A primary intent of the 1996 welfare reform legislation is to transform cash public assistance to poor families into a system of work. Prior to block grants, federal funds allocated to employment-related services for welfare recipients were kept separate from the funds going to Aid to Families with Dependent Children (AFDC) cash benefits. The Temporary Aid to Needy Families (TANF) block grants now give states authority to decide how much of their federal welfare funding will be devoted to cash assistance and how much to work-related services. Paralleling this reform of welfare are federal legislative proposals and state initiatives to consolidate dozens of federal job training programs into a more streamlined workforce development system. 1 States, thus, have an unprecedented opportunity to reexamine the whole range of employment and training resources available to their disadvantaged populations, including how many resources to allocate to moving welfare recipients into employment. How the pieces currently fit together to serve public assistance recipients is a complex picture that differs by state. Officials making their own decisions in individual states may benefit from understanding practices and patterns in other states. To identify state patterns, this brief provides an overview of the employment and training resources states used to serve their welfare populations on the eve of TANF. 2 It also considers some potential scenarios that could emerge as states respond to their new block grant options. (The effectiveness of employment and training services in improving the employability and self-sufficiency of individuals will be considered in a future brief, as will the relationship between resources and the TANF work activity participation requirements.)

Nightingale, Demetra Smith and Robert H. Haveman (ed.s). 1995 *The Work Alternative: Welfare Reform and the Realities of the Job Market.* Washington D.C.: Urban Institute

The debate about replacing welfare with work neglects some important facts. Most on welfare can work. But many jobs available to them pay too little to support a family. And some on welfare have such serious problems they cannot work. Reform can be effective only if it "makes work pay"—with supplements for the lowest-wage jobs, public work for those who cannot find a job, investment in education and training for the next generation, and alternative obligations for those who cannot work. Contributing authors include Rebecca M. Blank, Rebecca A. Maynard, Nathan Glazer, Laurie J. Bassi, Gary Burtless, Hillard Pouncy, and Ronald B.Mincy.

Olson, Krista and LaDonna Pavetti. 1996. Personal and Family Challenges to the Successful Transition from Welfare to Work, Washington D.C.: Urban Institute

Time limits, increasing employment and training participation requirements, and strict economic sanctions for non-compliance with program expectations, all increase the importance of engaging a broader share of the AFDC caseload in employment or employment-related activities. Over time, these policy changes will require states and local welfare offices to develop strategies to engage welfare recipients who have traditionally been exempted from participation in education or training activities, as well as other long-term recipients, in welfare-to-work programs. This paper is the first of a series of papers that will examine the magnitude of this challenge and identify potential options for helping this group of families find and maintain employment.

Orloff, Ann Shola. 1996. "Gender and the Welfare State," Discussion Paper 1082-96, The Institute for Research on Poverty, University of Wisconsin-Madison

Gender relations, as embodied in the sexual division of labor, compulsory heterosexuality, discourses and ideologies of citizenship, motherhood, masculinity and femininity, and the like, profoundly shape the character of welfare states. Likewise, the institutions of social provision-the set of social assistance and social insurance programs, universal citizenship entitlements, and public services to which we refer as the "welfare state"-affect gender relations in various ways. Although many recent studies of the welfare state use a comparative analysis to study the factors shaping the welfare state, few of these studies have paid systematic

attention to gender. Similarly, most feminist work has not been systematically comparative. This paper summarizes the current state of understanding of the varying effects of welfare states on gender relations and vice versa.

Orr, Larry L., Howard S. Bloom, Stephen H. Bell, Fred Doolittle, Winston Lin, and George Cave. 1996. *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study.* Washington D.C.: Urban Institute

The best evidence to date to guide the nation as to what employment and training strategies work and don't work for what groups. Reports and interprets the findings of the largest and most rigorous evaluation ever done of employment and training programs designed to increase the employment and earnings, and reduce the dependence, of America's disadvantaged. This study of the Job Training Partnership Act programs included 16 sites across the country; a sample of over 20,000 individuals; a random-assignment experimental design; a 30-month follow-up period; data from specially designed surveys; and a wide range of state and local administrative records. Measures effectiveness separately for adult men, adult women, female youth, and male youth. Finds modest successes for adults but confirms the sad truth that we have yet to find a generalizable strategy that increases the labor market chances of disadvantaged youth.

Pavetti, LaDonna, Krista Olson, Demetra Nightingale, and Amy-Ellen Duke. 1997. How Much More Can They Work?: Setting Realistic Expectations for Welfare Mothers, Washington D.C.: The Urban Institute

To examine how the work experiences of welfare recipients compare to non-recipients, I use data from the National Longitudinal Survey of Youth (NLSY) to construct complete employment and welfare histories for a cohort of women over a ten-year period, from the time they turn age 18 through the year in which they turn 27. To estimate how much more women who ever receive welfare would have worked had they followed the same employment paths as women with similar characteristics who never turned to welfare, I develop a dynamic microsimulation model that predicts women's movement in and out of the labor market over the ten-year period.

Paul-LC. 1996. "Impact of nutrition-related coalitions on welfare reform and food security in a rural state," *Journal-of-Nutrition-Education* 28: 2, 119-122; 14 ref.

3 nutrition-related organisations that are actively addressing welfare reform and food security in Montana, USA (a large sparsely populated rural state) are profiled and discussed. Lynn C. Paul provides a profile of three nutrition-related organizations that are actively addressing welfare reform and food security issues in Montana and discusses the challenges of coordinating the three organizations.

Pavetti, LaDonna and Gregory Acs. 1997. Moving Up, Out, Going Nowhere. Washington D.C.; Urban Institute

To investigate the likelihood that women who turn to the welfare system for support will make the transition from bad to good jobs, we use data from the National Longitudinal Survey of Youth (NLSY) to examine the employment patterns of young women. We construct quarterly employment histories for all the women in our sample, beginning at age 18 and continuing through age 27. We find that, in general, it is common for young women to make the transition from bad jobs to good jobs and eventually to work steadily in good jobs. However, this is far less the case for women who share the characteristics of women who ever turn to the welfare system for support. For example, although 73 percent of women will work in a good job between the ages of 18 and 27, only 59 percent of mothers and 47 percent of high school dropouts do so. Furthermore, while 41 percent of all women work steadily in good jobs by ages 26 and 27, only 22 percent of mothers and 15 percent of women who have not completed high school do so. While some women who make the transition from a bad job to a good job do so quickly, others do not. On average, women take four years to make the transition from a bad to a good job, and about 25 percent take more than six years.

Pavetti, LaDonna. 1996. "The Number and Characteristic of Families Who Will Potentially Be

Affected By Policies To Time-Limit AFDC Benefits." Washington DC.: Urban Institute

Pavetti, LaDonna, Krista Olson, Demetra Nightingale, Amy Ellen Duke and Julie Isaacs. 1997. Welfare-to-Work Options for Families Facing Personal and Family Challenges: Rationale and Program Strategies, Washington D.C.: Urban Institute

State and local officials will face numerous challenges as they begin to transform the 60 year-old Aid to Families with Dependent Children (AFDC) program whose primary purpose was to provide cash assistance to families with children with no other means of support into a system whose primary purpose is to help the parents in those families find employment. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, signed into law in August 1996, requires states to meet steadily increasing work participation rates and also requires states to engage recipients in work activities within two years of their initial receipt of assistance. As a result, perhaps the most difficult challenges program administrators will face is developing program models that can address the needs of an extremely diverse caseload. While some recipients are likely to find employment on their own or with limited assistance from traditional welfare-to-work programs, other recipients are likely to need assistance not traditionally provided by welfare-to-work programs.

Pavetti, LaDonna A., K. Olson, N.Pindus, M. Pernas, and J. Issacs. 1996. "Designing Welfare-to-Work Programs for Families Facing Personal or Family Challenges: Lessons from the Field," The Urban Institute, Washington, D.C.

States are currently shifting the emphasis of the welfare system from providing ongoing cash assistance to families to providing assistance to help recipients enter the labor market. As states attempt to increase the percentage of AFDC recipients who leave welfare for work or are engaged in activities to prepare them to enter the labor market, they are likely to encounter more and more families who face a number of personal and family challenges that make it difficult to seek employment or to sustain employment over the long term. For these families, their ability to succeed may depend on obtaining assistance to overcome or cope with substance abuse, depression and physical or mental disabilities; their family responsibilities, including the responsibility to care for other family members with disabilities; histories of physical or sexual abuse and domestic violence; social isolation; absent and/or non-supportive mates or significant others; inadequate parenting and discipline skills; and proximity to criminal activity. Currently, most families who experience many of these personal or family challenges are exempted from participation in employment or employment-related activities. However, there are a small number of states and some local programs that expanded the Job Opportunities and Basic Skills (JOBS) program or designed program models to better address the needs of these families. This report summarizes information from case studies of eight of these programs, examining the issues that are important to consider when designing such programs. Specifically, this report addresses the following six questions: 1) What are the types of issues that recipients must overcome to achieve self-sufficiency? 2) How do these programs determine which families need more intensive services? 3) What services are provided to families once they are identified in need of more intensive services? 4) What role do sanctions play in these programs? 5) Are these programs successful? 6) What lessons can be drawn from the experiences of these programs? This paper is organized into two parts. Part I examines the six questions outlined above, drawing information from each of the eight case studies and Part II provides the detailed case studies of each of the programs on which this analysis is based. The first part of this report begins with a brief summary of each of the programs.

Pavetti, LaDonna A. and A-E. Duke. 1995. "Increasing Participation in Work and Work-Related Activities: Lessons from Five State Welfare Reform Demonstration Project," Washington D.C.: Urban Institute

This study uses data from discussions with state and local officials, case record reviews and management reports to examine key implementation and operational issues in five states that are currently conducting welfare reform demonstration projects: Colorado, Iowa, Michigan, Utah and Vermont. These states were selected from the 24 states that had been granted permission to operate welfare demonstration projects by the U.S. Department of Health and Human Services (DHHS) as of September 1994. These states were

chosen because their reforms emphasized strategies designed to increase participation in work and work-related activities and they were far enough along in the implementation of their reforms to provide information that would be useful to policy makers and program administrators.

Perry-J; Whittaker-G. 1994. "Commodity programs and farm-rural economies," *Agricultural-Outlook*, No. AO-209, 2-5.

Rural communities and agricultural production in the USA have changed to such an extent that farmers are no longer the dominant economic force in most rural areas. Farm families on average now receive more income from non-farm activities than from farming. For these reasons, commodity programmes today have less direct effect on the income of non-farm rural households, and the impact on average farm households has diminished. Also, commodity programmes are focused on relatively few commodities in the farm sector. In several regional pockets of the USA, producers receive payments that amount to a significant portion of gross cash farm income. In 1992, over two-thirds of payments went to producers in 14 states in the Midwest and Plains.

Perry-J; Hoppe-B. 1993. "Off-farm income plays pivotal role," *Agricultural-Outlook*. 1993, No. 202, 3-5; 1 fig.

USDA's preliminary estimate of average farm household income in 1992 ($40 068) indicates nearly 90% coming from off-farm sources. The structure of the farm industry partly explains the large role of off-farm income. Most US farms are small, and these farm operator households depend almost entirely on off-farm income. However, even in households with half a million dollars or more in farm sales, one third of the total household income comes from off-farm sources. For the majority of farm households, rural economic development efforts are increasingly important. A growing local economy allows these households to improve their off-farm earnings, which in many cases makes the difference between low and adequate household income.

Petersen, Carol Dawn. 1995. "Female-headed families on AFDC: who leaves welfare quickly and who doesn't," *Journal of Economic Issues* 29, Je pp. 619-28

A paper presented at the annual meeting of the Association for Evolutionary Economics in January 1995: As national policy makers again consider welfare reform, one of the measures being discussed would impose limits on the amount of time a family could receive benefits from Aid to Families with Dependent Children (AFDC), the country's largest cash welfare program. The debate over shifting to a time-limited welfare system raises questions of who is likely to leave welfare quickly and who is likely to stay on AFDC for longer periods. To find answers to these questions, the General Accounting Office analyzed data on single-parent, female-headed households from the Census Bureau's 1987, 1988, and 1990 Surveys of Income and Program Participation. The results indicate that AFDC families headed by women who have less than a high school education, have children under age six, have no work when starting AFDC, or have little recent work experience are likely to leave AFDC less quickly than other families.

Pindus, Nancy, Randy Capps, Jerome Gallagher, Linda Gianarelli, Milda Saunders, and Robin Smith. 1997. Income Support and Social Services for Low-Income People in Texas. Washington D.C.:Urban Institute

This report focuses on the baseline conditions of cash assistance and social services in the state of Texas as it embarks on the new welfare reforms specified in the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (also known as PRWORA), in particular the replacement of Aid to Families with Dependent Children (AFDC) with Temporary Assistance to Needy Families (TANF).

Raheim, Salome. 1997. "Problems and Prospects of Self-Employment as an Economic Independence Option for Welfare Recipients." *Social Work* 42 n.1 January.

This article examines the problems associated with pursuing self-employment as an option for achieving economic self-sufficiency and discusses the lessons learned form national studies of self-

employment development programs.Self-employment may be an attractive income option for those to whom labor market employment is not accessible, available, or adequate in providing a living wage. These may include members of marginalized and oppressed groups such as poor women with children, racial minorities, and recent immigrants. For members of these groups self-employment can provide a level of freedom and flexibility as well as an option for earning a living wage, that the labor market may not provide.

Rank, Mark R. and T.A. Hirshcl. 1993. "The Link Between Population Density and Welfare Participation," IRP Reprint Series 701, Institute for Research on Poverty, University of Wisconsin-Madison

Reprinted from *Demography*, Vol. 30, no. 4 (November 1993), pp. 607-622

This article explores a neglected topic in the social welfare, poverty, and demographic literatures--the link between population density and welfare participation in the United States. Longitudinal data from the Panel Study of Income Dynamics are used to meet two objectives: first, to test whether a relationship exists between population density and food stamp use among eligible households;, second, to explore the potential reasons for such a relationship. Our findings show that population density has a strong, positive impact on the likelihood of participating in the food stamp program. Low-income respondents in urban areas are significantly more likely to use food stamps in both an aggregate multivariate context. In analyzing the dynamic underlying such an effect, we find that those in urban areas are more likely to possess accurate eligibility information and to hold less adverse attitudes towards the use of welfare. The factors in turn increase the likelihood of welfare participation.

Reeder-RJ. 1996. How would rural areas fare under block grants? Agriculture-Information-Bulletin -United-States-Department-of-Agriculture No. 724-03, 4 pp.; 3 ref.

Current proposals would convert many US domestic rural assistance programmes into Federal block grants to be administered by State governments. Block grants give States broad discretion on how Federal funds are spent. In theory, this can lead to programme improvements, reduced administration costs, and lower Federal deficits. Research on past block grants, however, indicates that block grants have had mixed success in achieving these goals. Block grants can also create inefficiencies and overlook national objectives, such as assisting poor communities. Whether or not block grants are adopted, rural communities will fare better if aid formulas and delivery systems account for rural-urban differences.

Riccio, James and Y. Hasenfeld. 1996. "Enforcing a Participation Mandate in a Welfare to Work Program," *Social Service Review*

This article presents a six county evaluation of California's welfare-to-work program for recipients of AFDC to examine the consequences of emphasizing either personal attention or formal penalties for achieving compliance with the program's participation mandate. Outcomes measured were the degree of recipient's participation, recipients perceptions of the program, and case managers, and the programs effects on recipients earnings and use of welfare. Results suggest that overall, emphasis on personal attention may be moderately more effective in obtaining high levels of participation. At the same time, emphasizing penalties does not preclude high levels of participation nor does it prevent a majority of recipients from developing positive views of the program and case managers. The punitive approach may improve welfare savings but it might not help improve recipients earnings unless its combined with certain other program practices.

Riccio, James and Steven Freedman. 1995. *Can They All Work?* Manpower Development Research Corporation

Riccio, James, Daniel Friedlander and Steven Freedman. 1994. *GAIN: Benefits, Costs, and Three year Impacts of a Welfare to Work Program.* New York. Manpower Development Research Corporation

Rural Poverty Research Institute (RUPRI). 1995. Block Grants and Rural America, Background Working Paper

This paper is designed to elicit discussion of the opportunities and challenges for federal, state and local governments that result from different types of block grant programs. It pays particular attention to the impacts these programs may have on rural people and places. The paper provides a brief history of block grant funding, a discussion of their implications for rural areas, and a set of recommendations on how these programs might be adapted to meet shared policy goals.

Russel Sage Foundation. 1997. *Indicators of Children's Well-Being*. Robert M. Hauser, Brett V. Brown, and William Prosser, ed.'s. New York: Russel Sage

The search for reliable information on the well-being of America's young is vital to designing programs to improve their lives. Yet social scientists are concerned that many measurements of children's physical and emotional health are inadequate, misleading, or outdated, leaving policymakers ill-informed. Indicators of Children's Well-Being is an ambitious inquiry into current efforts to monitor children from the prenatal period through adolescence. Working with the most up-to-date statistical sources, experts from multiple disciplines assess how data on physical development, education, economic security, family and neighborhood conditions, and social behavior are collected and analyzed, what findings they reveal, and what improvements are needed to create a more comprehensive and policy-relevant system of measurement.

Salamon-S; Tornatore-JB. 1994. "Territory contested through property in a midwestern post-agricultural community," *Rural-Sociology*, 59: 4, 636-654; 40 ref.

Post-agricultural rural communities are emerging in the US Midwest as a consequence of regional economic restructuring. Such communities are dominated by residents without economic or social links to those who operate surrounding farms. An ethnographic study of an Illinois hamlet provides a case study for probing the assertion that property issues, more than occupation or family background, shape social relations in post-agricultural communities. Describes is a variant of a post-agricultural community termed downscale due to an in-migration of working-poor families attracted by deteriorated, surplus housing. Examined are why and how a village of 200 became a highly contested territory where the struggle between newcomers and the old guard about differing notions of respectability became symbolized by conflict over the appearance and use of private and public property.

Sandefur, Gary D. and S.T. Cook. 1997. "Duration of Public Assistance Receipt: Is Welfare a Trap?" Discussion Paper 1129-97, Institute for Research on Poverty University of Wisconsin-Madison

This paper uses data from the National Longitudinal Survey of Youth to answer two questions about the effects of the Aid to Families with Dependent Children (AFDC) program: (1) Does the length of time that one receives AFDC affect the likelihood of permanently leaving AFDC? (2) What personal and family characteristics are associated with the long-term receipt of AFDC? The answer to the first question is that the likelihood of permanently leaving AFDC decreases with the length of time that individuals receive benefits, after adjustments for other measured and unmeasured attributes of individuals and their families. The answer to the second question is that not having a high school diploma, never having married, having more than two children, and having little work experience are associated with long-term receipt. Many of the recipients who will reach the five-year limit imposed by the new federal legislation are in situations that make it difficult for them to support themselves and their families without public assistance.

Sandefur, Gary D. and T. Wells. 1996. "Trends in AFDC Participation Rates: The Implications for Welfare Reform," Discussion Paper 1116-96, Institute for Research on Poverty, University of Wisconsin-Madison

Congress justified the recent reform of federal welfare policy in part by citing the increase in the AFDC caseload since the late 1960s. The caseload, i.e., the number of families using AFDC, is determined by the number of families eligible to participate and by the proportion of these families who use the program. Yet the debate over reforming welfare rarely paid attention to the latter—the participation rates among female heads of families. While the number of cases changed little during the early to mid-1980s, the percentage of families with single female heads who used AFDC declined. During the late 1980s and early 1990s, both

caseloads and participation rates increased. This paper documents the changes in participation rates since the mid-1980s, racial and ethnic differences in participation rates, and factors that might be associated with these changes. The only major trend that consistently parallels the changes in participation rates is the trend in unemployment. Existing data do not permit us to conclude that unemployment is the major determinant of participation rates. If unemployment drives participation rates, however, the recent changes in welfare legislation may create serious problems for many female heads of families in periods of high unemployment.

Savner, Steve and Mark Greenburg. 1995. *The CLASP Guide to Welfare Waivers: 1991-1995.* Washington D.C.: Center for Law and Social Policy

Sawhill, Isabel V. 1995. Welfare Reform: An Analysis of the Issues, Washington D.C.: The Urban Institute

This article presents a review of research in the areas of the federal role in maintaining a safety net, encouraging work, the effect of time limits, preventing dependency, and the broader safety net. It also provides a compilation of articles by Urban Institute researchers working in these areas

Schram, Sanford F. and G Krueger. 1994. "'Welfare Magnets' and Benefit Decline: Symbolic Problems and Substantive Consequences," IRP Reprint Series *727*, Institute for Research on Poverty, University of Wisconsin-Madison

Reprinted from *Publius: The Journal of Federalism*, Vol 24, no. 4 (Fall 1994), pp. 61-81 In response to concern about "welfare migration" some states have been freezing benefit levels and trying to institute lower benefits for newly arrived out of state applicants. There is also evidence that rising welfare rolls lead states not to raise benefits. Yet interstate variation in welfare benefits has narrowed over the last two decades. There is also evidence that while interstate competition, or comparison of benefit levels, discourages high benefit states from raising benefits, states look more at themselves than they look at each other. The most significant factor affecting AFDC benefit levels appears to lie in the intergovernmental a arrangements for financing public assistance (i.e., states often allow Food Stamps and Medicaid to substitute for AFDC) . In addition, the migration of poor female headed families is patterned after the migration of the population in general; they move to where the is job growth. A major political consequence of stressing welfare migration may be its symbolic value in reinforcing prejudice against welfare recipients.

Schram, Sanford F. 1994. "Interstate Variation in Welfare Benefits and the Migration of the Poor: Substantive Concerns and Symbolic Responses," Discussion Paper 1032-94, Institute for Research on Poverty, University of Wisconsin-Madison

Nearly all states are thinking about reforming their welfare systems, and several states—particularly those that offer high welfare benefits—are taking action. A major concern is that poor people are moving to high-benefit states in order to receive the benefits offered by those states. It is unclear, however, if this "welfare migration" is extensive enough to break the budgets of high-benefit states. Nevertheless, legislators in those states are seeking to stop it, usually through two-tier benefit schedules whereby new arrivals to a state are temporarily paid the welfare benefits they would have received had they remained in their original state. The authors discuss the extent to which schedules represent substantive reform or symbolic action. In their estimation, currentstrategies for welfare reform fail to address the causes of poverty and welfare dependency and may only intensify the antagonism many Americans feel toward the poor.

Smith, Paul A. 1997. "The Effect of the 1981 Welfare Reforms On AFDC Participation and Labor Supply," Discussion Paper 1117-97, Institute for Research on Poverty, University of Wisconsin-Madison

From 1992 to 1995, forty states applied for federal waivers in order to test new welfare reforms. About 80 percent of these waiver applications included expansions of earnings disregards and asset limits for welfare recipients. These changes would effectively reverse the changes imposed by the 1981 Omnibus Budget Reconciliation Act (OBRA81), which significantly restricted eligibility and reduced earning disregards for

working recipients. Hence an understanding of the effects of OBRA81 can be helpful in predicting the effects of new welfare reform proposals.This paper presents empirical estimates of the labor supply and AFDC participation effects of the individual components of OBRA81. Estimates are obtained from a discrete-choice maximum likelihood model in which female heads of household choose among six welfare/work combinations: on or off together with Zero, half-tome, or full-tome work. The paper focuses on estimation of parameters that define the utility of leisure and of welfare participation. Estimates are obtained from a sample of 2462 female heads of household from the Panel Study of Income Dynamics (PSID) covering the years 1978 to 1984. The changes imposed by OBRA81 are explicitly accounted for in the budget set, as are the decline in real benefits, changes in the federal tax system and the interaction of AFDC and Food Stamps. Estimated utility parameters are used to decompose the estimated effects of the 1981 reforms. Descriptive evidence shows that the overall effect of the 1981 legislation was to reduce participation by about 8% and cut the incidence of working recipiency by about 40 percent. Simulations based on structural parameters suggest that lower real needs and payment standards reduced AFDC eligibility and participation by more than the OBRA81 changes combined. An important result is that for many recipients, the share of Food Stamps in total l income increased as real AFDC benefits declined. Hence the Food Stamps program played an important role over that s period in preventing the well-being of welfare recipients from eroding more than it did. Estimated utility parameters are also used to predict the effects of hypothetical policy changes. Lower payment standards cause some recipients to leave welfare and others to increase their work effort. Working recipiency is significantly encouraged by lower benefit reduction rates but this effect is offset by lower labor supply among women drawn onto AFDC. Finally, the AFDC participation choice is quite responsive to wage levels, but increasing wages would have only a small effect on working recipiency in the absence of higher disregards.

Spalter-Roth, Roberta, Beverly Burr, Heidi Hartman and Lois Shaw. 1995. "Welfare That Works: The Working Lives of AFDC Recipients." Washington D.C.: Institute for Women's Policy Research

IWPR finds that most welfare mothers are already working, but cannot earn enough or find enough work to lift their families out of poverty. Forty-three percent of AFDC mothers work substantial hours (950 per year on average). The most striking characteristics of welfare mothers' jobs are that they are low-wage, unstable, and unlikely to provide health benefits: The average job lasts only 46 weeks, less than a year. Working AFDC mothers hold an average of 1.7 jobs during the two-year survey period. These mothers also spend an average of 16 weeks looking for work. These mothers' jobs provide health insurance coverage only one-third of the months they work. Their jobs pay an average of $4.29 per hour (1990 dollars). For those who work all 24 months of the study period, approximately half earn more at the end of the period than at the beginning, while half earn less. Their jobs tend to be in the lowest-wage women's occupations -- 37 percent work as maids, cashiers, nursing aides, child care workers, and waitresses, while 13 percent of all women work in those occupations (see Chart 1). Their employers tend to be in the low-paying service industries, such as restaurants, bars, nursing homes, private households, hotels and motels, department stores, hospitals, and temporary help services firms. These businesses employ two-fifths of welfare mothers (as compared to 19 percent of all women).

Stallmann-JI; Johnson-TG; Mwachofi-A; Flora-JL. 1993. "Labor market incentives to stay in school,"*Journal-of-Agricultural-and-Applied-Economics*, 25: 2, 82-94; 1 fig., 2 tab., 1 app.; 35 ref.

Human capital theory suggests that job opportunities will create incentives for human capital investment. If job information does not flow freely, or if they prefer not to move, students will make investment decisions based upon local job markets. Communities with a high percentage of low-skill jobs which do not reward high school and higher education do not create incentives for students to finish high school or continue beyond high school. Data from Virginia, USA, support this hypothesis. Targetted job creation, and improved labour market information may create incentives for increased human capital investment in many rural communities.

Stallmann-JI; Sherchand-B; Bollman-RD (ed.); Bryden-JM. 1997. "Self-employment in rural Virginia" in *Rural employment: an international perspective* pp 291-304; 46 ref. Encouraging small

businesses and self-employment has been proposed as a way to create rural employment. Education, previous self-employment, parental self-employment, and having other sources of income increase the probability of being self-employed. The equation explaining the probability of being self-employed has poor predictive power, suggesting self-employment programmes cannot be easily targeted.

Strawn, Julie. 1997. Substance Abuse and Welfare Reform Policy, Welfare Information Network

According to the U.S. Department of Health and Human Services, research studies have found that between 10 and 20% of welfare recipients have a substance abuse problem, with about 5% of recipients affected enough to substantially limit their day-today functioning. Anecdotal evidence suggests the problem may be larger among long-term recipients. States have begun to grapple with the question of what policies to adopt toward welfare recipients with substance abuse problems as a result of efforts to require most welfare recipients to work or participate in employment programs. A recent Urban Institute study concludes that substance abuse has emerged as one of the primary personal or family barriers to employment among welfare recipients, together with physical disabilities, mental health problems, children's health or behavioral problems, domestic violence, housing instability, and low basic skills or learning disabilities. (Low basic skills is by far the most common of these barriers, and the one most associated with a recipient not working.)"

Suryanarayana-MH. 1995. "Some experiments with food stamps," *Economic-and-Political-Weekly* 30: 52, A-151-A-159; 52 ref.

The Indian government is considering a food stamp program as an alternative to the public distribution system in order to reduce the budget deficit with the least social cost. This article recounts the experiences of such a program in the US, Sri Lanka, Zambia, and Jamaica and concludes that given the lack of proper socio economic data on the Indian populace, it would be wise to confine the program to urban locals.

Swanson-LL; Dacquel-LT; Swanson-LL. 1996. "Rural child poverty and the role of family structure" in *Racial-ethnic minorities in rural areas: progress and stagnation, 1980-90*.Agricultural-Economic-Report-Economic-Research-Service,-US-Department-of-Agriculture. 1996, No. 731, 33-41; 20 ref.

The percentage of US children living in poverty rose between 1980 and 1990. This was true for Black, White, and Hispanic children, urban and rural children. The only group for whom the increase was small was urban White children. For Black children, the rate of poverty continues to be higher for those living in rural areas than for those living in urban areas. The rising education of mothers, declining family size, and a small decrease in the poverty of children living in married-couple families have not been enough to offset the forces acting to increase the incidence of poverty among rural children. Particularly for rural children. Particularly for rural Blacks, the sharp rise in families headed by women, accompanied by an increasingly high poverty rate for these families, has been the strongest force in increasing poverty among rural children.

Swanson-LL. 1996. "Racial/ethnic minorities in rural areas progress and stagnation, 1980-90,"*Agricultural-Economic-Report*-Economic-Research-Service,-US-Department-of-Agriculture. No. 731, iv + 149 pp.

Rural minorities lag behind rural Whites and urban minorities on many crucial economic and social measures in the USA. Papers are presented which examine rural Black, Hispanic, Native American, and Asian and Pacific Islander populations and their well-being in the 1980s, an economically difficult decade for rural areas. Results show minimal minority progress as measured by changes in occupation, income and poverty rates. However the type and speed of progress was quite different among minority groups and between men and women of the same minority group. Results also showed considerable diversity among groups in the characteristics that were associated with poor economic outcomes.

Swartz, Rebecca. 1997. "Time-Limited Public Assistance Benefits: State Options under Federal Welfare Reform," in *Informing the Welfare Debate: Perspectives on the Transformation of Social Policy*,

Institute for Research on Poverty Special Report #70, University of Wisconsin-Madison

This paper concerns one provision of the new Temporary Assistance to Needy Families (TANF) block grant to states--its limitations of federal funds to no more than five years of assistance for most families. Although the time limit imposes a restriction on states, especially in combination with other TANF requirements concerning the percentage of state caseloads that must be working, the time limit also gives states several choices. States have flexibility in preparing clients for the time limit, establishing its length and structure, and using state funds. This paper describes these choices using for guidance state waiver requests similar to time limit policies under TANF the legislation.

Tanner, Michael. 1996. Replacing Welfare, Washington D.C.: The Cato Institute

Detailing the failures of the current welfare system and proposed liberal and conservative reforms is easy. However, critics of welfare have an obligation to go beyond attacking the system to provide an effective, compassionate alternative. The first step is to recognize that the 1996 welfare reform legislation falls far short of what is needed to fix the system. Let's look at some of the problems.

Thompson-A; Gray-BG. 1995. "Employment structure and poverty: theoretical perspectives and conceptual frameworks," *American-Journal-of-Agricultural-Economics* 77: 3, 789-795; 22 ref.

This paper elaborates the central tenets and operational indicators of the human capital and dual labour market theories to better understand the relationship between employment structure and poverty, with particular reference to the rural regions of the USA. Poverty seems to be linked fundamentally to deficits in human capital and/or the lack of sufficient jobs in the primary sector. The human capital and dual labour market theories emerge as particularly relevant to understanding the relationship between human capital, employment structure, and poverty. In tandem, the two theories improve understanding about the causes and consequences of poverty among workers. On the issue of differential poverty across labour markets, the findings show that low or semi-skilled workers in secondary labour markets are the working poor, who appear to have little chance of lifting themselves out of poverty.

Tootle-DM; Swanson-LL; Swanson-LL. 1996. " American Indians. Economic Opportunities and Development" in Racial-ethnic minorities in rural areas: progress and stagnation, 1980-90. Agricultural-Economic-Report-Economic-Research-Service, US-Department-of-Agriculture No. 731, 100-113; 38 ref.

The 1980's may have marked a new era of economic development for American Indians. However, rapid but uneven economic development does not necessarily translate into improvements in labour market opportunities for American Indians. The geographically isolated rural areas in which many American Indians live mainly offer low-wage manufacturing and consumer service jobs. American Indians continued to be overrepresented in less remunerative occupations and industries and to face high unemployment. Unless economic development on or near American Indian reservations departs from the typical urban and rural division of labour, with much of the economic development in rural areas in the form of low-wage jobs, it may not reduce the economic disadvantages faced by American Indians.

Towns, Edolphus. 1995. "Necessary flexibility or ad hoc decision-making?" *Public Welfare* 53, Wint '95, pp. 6

Part of a special section on the debate over the federal waiver from the U.S. Department of Health and Human Services (HHS) under Title IV, Section 1115, of the Social Security Act that allows states to implement welfare demonstration programs. The concerns of the Subcommittee on Human Resources about the process employed by the HHS to review waiver applications are discussed. These concerns relate to the examination of state applications for waivers from federal requirements in the Aid to Families with Dependent Children program, the lack of formal guidelines and criteria for reviewing state waiver applications, the lack of a formal review and of comment mechanisms for proponents and opponents of waiver applications, the ability of individual state waiver-based demonstration programs to contribute to the welfare reform debate, and the experience of certain states with the application review and waiver process.

Uccello, Cori E. and Jerome Gallegher. 1997. "General Assistance Programs: The State Based Part of the Safety Net," *New Federalism*, Series A, No. 4, Washington D.C.: Urban Institute: Washington D.C.

This brief provides an overview of the nation's GA programs as they existed in the summer of 1996 with three purposes in mind: to gauge the extent to which persons no longer eligible for federally funded programs under the new legislation might be assisted through existing state and local programs; to provide a baseline against which to measure changes states may make to their GA programs in light of the new policy environment; and to trace how the GA landscape has already changed since the last comprehensive survey conducted in 1992. The message is clear. In only 12 states do current GA programs provide assistance to all low-income persons and families that fall through the gaps in the federal safety net. While this could change as states respond to the federal reforms, GA coverage is now more restricted and its benefit levels are almost universally lower in real terms than in 1992.

Uccello, Cori E., H.R. McCallum and L. J. Gallagher. 1996. "State General Assistance Programs: 1996" The Urban Institute: Washington D.C.

Benefit decreases and tightening eligibility rules in recently enacted welfare reform legislation will put greater pressure on non-federally funded government and other programs to fill the void in assistance to those in need. Among the most important of these non-federally funded government programs are the General Assistance (GA) programs. GA programs provide cash and/or in-kind benefits to low-income persons who are not eligible for federally funded cash assistance. Each program is financed and administered entirely through the state, county, and/or locality in which it operates. These programs are the last resort for many in need. However, GA coverage is incomplete and shrinking, and GA benefits are generally low and decreasing. This report provides information on the availability of GA across the states, and for states with programs, the characteristics of those programs, including program eligibility requirements, benefit levels, and caseload and expenditure data. We also report on significant program changes made since the last comprehensive survey of GA programs conducted in 1992 by the Center on Budget and Policy Priorities and the National Conference of State Legislatures. The information for this study was collected through a telephone survey of each state and the District of Columbia between June and August 1996. This information will be critical for evaluating the impacts of federal welfare reform legislation. In particular, it can be used to gauge the extent to which persons no longer eligible for federally funded programs can be assisted through GA. It will also provide a baseline against which to measure any changes states make to their GA programs in the future.

Urban Institute. 1997. "A Comparison of Selected Key Provisions of the Welfare Reform Reconciliation Act of 1996 with Current Law," Washington D.C.: Urban Institute

To assist the public in understanding the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (H.R. 3734), Urban Institute researchers from the Income and Benefits Center under the direction of Sheila Zedlewski have prepared the following preliminary summary of its key provisions compared to current law. The chart is a first cut at identifying the nature of the changes that are required by various provisions of the Act and their effective dates. We summarize Title I (Temporary Assistance for Needy Families), Title II (Supplemental Security Income, SSI), Title III (Child Support), Title IV (Restricting Public Assistance for Aliens), Title VI (Child Care), and Title VIII (Food Stamps). The chart should be considered a work in progress, that will be revised as more information becomes available and the provisions further clarified. In the meantime, individual government agencies responsible for the various programs should be contacted for their interpretations of various program rules.

USDA Economic Research Service. 1997. Rural Conditions and Trends:Federal Programs Issue, Volume 8, Number 1, Editors: Doug Bowers and Richard Reeder

The main change for 1997 is welfare reform, which is expected to have amore significant impact in rural than in urban areas. The increase in the minimum wage and earned income tax credit should boost incomes of the working poor. Funding has increased for infrastructure, including a new assistance program for drinking water systems. Many other core development programs have been reinvented and expect to provide more assistance, even though their funding has not grown. In addition, many regulatory changes will affect rural

economies and the environment.

USDA, Economic Research Service. 1995. Understanding rural America, Agriculture-Information-Bulletin -United-States-Department-of-Agriculture No. 710, 26

This paper provides information about the changes taking place in and the diversity of rural areas of the USA. It begins by examining shifts in rural employment, population and well-being and continues by analysing six county types (farming, manufacturing, service, retirement-destination, federal lands, and persistent poverty). Although the diversity of rural America means that different areas have different needs, there is an overall pattern of economic disadvantage in rural areas. High amenity rural areas (for the retired and tourists) are growing. Although there is no single recipe for rural prosperity, the potential is considerable and there are logical ways to promote development: (i) improve the connections between rural and urban areas; (ii) encourage and assist rural firms to target specialized niche markets; (iii) create artificial scale economies such as flexible manufacturing networks and multi-community collaboration; and (iv) improve the competitiveness of rural firms by enhancing the core skills of both management and labour.

U.S. DHHS. 1997. "Setting the Baseline: State Waivers. Office of Planning and Evaluation

U.S. DHHS. 1996. Indicators of Welfare Dependence and Well-Being. Interim Report to Congress
Contact: Susan Grand Director Data Analysis Team UC DATA. 2538 Channing Way #5100, Berkeley CA 94704-5100

Report from the bipartisan Advisory Board on Welfare Indicators, created by the Welfare Indicators Act of 1994, which was charged with determining which statistics would be most useful in tracking and predicting dependence on three means-tested cash and nutritional assistance programs: Aid to Families with Dependent Children (AFDC), Food Stamps, and Supplemental Security Program (SSI). This interim report recommends indicators that measure both welfare dependence and well-being, as well as risk factors associated with these outcomes to guide policy-makers in their efforts to reduce dependence and improve well-being. The advisory board also proposes moving beyond strict dependence indicators to consider the condition of families. Families that exit the welfare system may or may not necessarily experience increased well-being. Including measures across a broad spectrum will ensure a more complete representation of the condition of families and children.

U.S. DHHS. 1996. "HHS Fact Sheet: State Welfare Demonstrations." August 22. URL: http://www.acf.dhhs.gov/programs/opa/facts/stdemo1.htm

U.S. DHHS. 1996. "ACF-Welfare Reform: Section 1115 Waiver Authority-October 1, 1996

U.S. DHHS. 1995. "Welfare by Waiver," *Public Welfare* 53, Wint, pp. 4-40 and Discussion. v53 p44-9 Spr

A special section on the debate over the federal waiver from theunder Title IV, Section 1115, of the Social Security Act that allows states to implement welfare demonstration programs. Topics discussed include the failure of the HHS to adopt guidelines or criteria for reviewing waiver applications; the ability of carefully evaluated demonstrations to help test innovative ideas for reforming welfare; problems with the waiver process and strategies for improving it; the waiver approval process as it applies to Aid to Families with Dependent Children; increasing the flexibility of the current waiver process; the experience of New York and Maryland with waiver programs; improvements to the waiver process suggested by lawsuits to halt programs in California and New Jersey; the dangers for children posed by the current waiver process; and the experience of county agencies with seeking a federal waiver.

U.S.GAO HEHS-97-80. 1997. *Welfare Reform: Three States' Approaches Show Promise of Increasing Work Participation.*

Recent welfare reform legislation puts time limits on welfare benefits and requires welfare recipients

to participate in work and work-related activities. Moreover, the new law requires states to have a minimum percentage of their caseload participating in such activities to avoid a financial penalty. Even before passage of the law, many states were exploring ways to boost participation in work by reforming their welfare programs through waivers of welfare program rules, which allowed them to try innovative approaches. GAO reviewed welfare experiments in three states--Massachusetts, Michigan, and Utah--to get a sense of (1) the policies and programs the states initiated under waivers to increase participation in work and work-related activities and (2) whether states with statewide waivers achieved participation rates comparable to those specified by the new federal law.

U.S. GAO HEHS-97-75, May 29, 1997. ***Welfare Reform: Implications of Increased Work Participation for Child Care.***

As states implement the new welfare reform legislation and are required to move larger numbers of their caseloads into the workforce, greater numbers of welfare recipients are likely to need child care. Consequently, the gap between the current supply of child care and the demand for that service is likely to grow. State and local officials in the four cities and counties GAO reviewed believe that child care in their areas is inadequate to meet even the existing demand for child care in some age brackets, particularly among low-income groups. Unless the supply of child care increases, the gap between supply and demand is likely to become even wider as welfare reform is fully implemented. For example, GAO estimates that the supply of known child care providers in Chicago would meet just 14 percent of the demand for infant care by the end of fiscal year 1997--one year after the enactment of welfare reform. Without any increase, by the year 2002, when states must reach welfare work participation rates of 50 percent, the known supply may meet only about 12 percent of the estimated demand for infant care in Chicago and even less in the city's poorest neighborhoods. Other issues in addition to supply and demand could also affect poor families' access to care, including the price of care, the availability of nonstandard-hour care, transportation, and the availability of quality care.

U.S. GAO HEHS-97-74. 1997. ***Welfare Reform: States' Early Experiences With Benefit Termination.***

Recent legislation ends the individual entitlement to federally supported cash assistance to needy families with children and provides for terminating benefits to families failing to comply with program rules or after a specified time period. So far, states have seldom used benefit termination provisions. Moreover, of the 18,000 families whose benefits were terminated under waivers through December 1996, more than 99 percent failed to comply with program requirements. Most terminations took place in Iowa, Massachusetts, and Wisconsin. Through June 1996, prior recipients' failure to comply with new enrollment requirements accounted for more than half of the terminations nationwide. By the end of December 1996, failure to comply with work requirements increased by one-third and became the most significant reason for termination. Recipients' explanations for noncompliance included wanting to stay at home with their children and an unwillingness to do community service or work for low wages. Terminating a family's welfare benefit amounts to the loss of a significant source of monthly income. Although more than 80 percent of the families in the cases GAO studied in Iowa, Massachusetts, and Wisconsin were later found to have a source of support or had returned to welfare, the percentages of such families receiving food stamps and Medicaid declined significantly after termination. Officials in the three states GAO studied generally believed that their benefit termination provisions had improved program effectiveness by increasing work activity, job placements, and families moving off welfare more quickly

U.S. GAO HEHS-96-105. 1996. ***Welfare Waivers Implementation: States Work to Change Welfare Culture, Community Involvement, and Service Delivery.***

In the wake of growing dissatisfaction with the welfare system, Congress and the President have been considering welfare reform on a national level. Meanwhile, many states have undertaken far-reaching reforms through waivers of federal provisions governing the program most Americans think of as welfare--Aid to Families With Dependent Children. For example, states have required welfare recipients to work; set limits on lifetime benefits; and denied cash benefits for additional children born to families already receiving welfare.

Believing that the findings would be useful to states dealing with the challenge of welfare reform, Congress asked GAO to review some states' early experiences with implementing reforms. This report examines efforts by Florida, Indiana, New Jersey, Virginia, and Wisconsin to implement three key reforms: time-limited benefits, work requirements, and family caps.

Weil, Alan. 1997. "The New Children's Health Insurance Program: Should States Expand Medicaid?" *New Federalism*, Series A, No. A-13, Washington D.C.: Urban Institute

The Balanced Budget Act of 1997 creates a new program and funding source for states to provide health insurance to children. The purpose of the new State Children's Health Insurance Program (S-CHIP), enacted as Title XXI of the Social Security Act, is "to provide funds to States to enable them to initiate and expand the provi-sion of child health assistance to unin-sured, low-income children." States have a great deal of flexibility in how they design their new S-CHIP programs. One of the first choices states will face is whether to use the new matching funds to expand Medicaid or to develop or expand existing separate child health insurance programs. After providing an overview of the new program, this brief dis-cusses issues states might consider when making this choice.

Whitener-LA; Parker-TS; Singelmann-J (ed.); Deseran-FA. 1993. "Off-farm employment opportunities for farmers: a labor market area analysis" in *Inequalities-in-labor-market-areas*. Boulder: Westview Press

This chapter examines the relative competitiveness of US farmers in off-farm employment in non-agricultural industries. The findings show that the prospects for farmers to find off-farm employment are not promising: the human capital of farmers as well as their age make them less attractive as potential employees, and the opportunities for non-agricultural employment in rural labour market areas (LMAs) are very limited. The findings show some regional variation: the negative effect of human capital is stronger in the northeast and the west, while the adverse LMA employment conditions are more prominent in the Plains and the Cornbelt regions. Farmers in the south face employment disadvantages from both human capital and LMA effects.

Winkler, Anne E. 1993. "AFDC-UP, Two Parent Families, and the Family Support Act of 1988: Evidence From the 1990 CPS and the 1987 NSFH," Discussion Paper 1013-93, Institute for Research on Poverty, University of Wisconsin-Madison

What is the effect of the AFDC-Unemployed Parent (UP) program on two-parent families? This question has become particularly relevant following he passage of the Family Support Act (FSA) of 1988, effective October 1990, which extended the previously state optional AFDC-UP program to all states. This study clarifies what is meant by two-parent family in the federal legislation and then empirically investigates whether AFDC-UP is pro-family by taking advantatge of cross-state variation in the presence (or lack thereof) of an AFDC-UP program before hte FSA. AFDC-UP's effect on two-parent families is examined using individual level data from two sources: (1) the March 1990 Current Population Survey and (2) the 1987 Survey of Families and Households. The availabilty of AFDC-UP is not found to provide a significant pro-family boost, as hoped for by Congress. Rather, UP is found to have a significant negative or insignificant effct on a woman's probability of marriage, depending on the model specification, and an insignificant effects on her probability of being in a "natural" two parent family. Of particular note, findings regarding AFDC-UP and AFDC generosity appeal sensitive to the inclusion of a variable reflecting community conservatism.

Wiseman, Michael. 1997. "Welfare Reform in the United States: A Background Paper," in *Informing the Welfare Debate: Perspectives on the Transformation of Social Policy*. Institute for Research on Poverty Special Report #70. University of Wisconsin-Madison A remarkable convergence of political developments produced a major change in the U.S. welfare system in 1996: The Personal Responsibility and Work Opportunity Reconciliation Act. This article review recent welfare policy history in the United States, surveys the major issues in welfare reform, outlines Democratic and Republican proposals, and summarizes the new legislation. It is argued that the new initiative will increase the hardship experience by the poor over at

least the next few years. The act's change in federal funding for public assistance plus state responses to new fiscal incentives the legislation creates are likely over time to increase, rather than reduce, the federal role in welfare finance if not administration. The new welfare system presents an administrative and political challenge to governors and an indirect challenge to political leaders in the nation's cities. Despite reduced federal regulation of public assistance, the federal government still has an important role in program evaluation

Wiseman, Michael. 1995. "State Strategies for Welfare Reform: The Wisconsin Story," Discussion Paper 1066-95, Institute for Research on Poverty, University of Wisconsin-Madison

The experience of Wisconsin is commonly cited as evidence of the capability of states for reforming welfare. Wisconsin's welfare caseload declined by 22.5 percent between December 1986and December 1994. This paper argues that the decline was most likely the product of restriction of eligibility and benefits, a strong state economy, and large expenditures on welfare-to-work programs encouraged by an exceptional fiscal bargain with the federal government. Opportunities for continued reduction of welfare utilization by means other than denying access are jeopardized by proposed changes in federal cost-sharing, a prospective state deficit, and the growing share of the caseload accounted for by residents of Milwaukee. Wisconsin Works, the state's plan for public assistance in a post-block-grant world, continues benefit reduction and eligibility restriction but expands emphasis on employment. The special circumstances enjoyed by Wisconsin are unlikely to be duplicated elsewhere. Other states and the federal government should not assume that expanded state discretion

Wiseman, Michael. 1995. "Lessons for Block Grants from the Welfare Waiver Demonstrations," *Focus* v. 17 n. 1, Institute for Research on Poverty, University of Wisconsin-Madison

Thirty five states have welfare reform initiatives underway or under consideration. These reforms have been made possible by federal "waivers" and serve two formal objectives (1.) To encourage generation of information on the effectiveness of alternative systems of welfare operation , and (2.) to ensure that federal funds are well spent in pursuing this goal. All waivers are subject to two requirements (1.) Cost neutrality of the demonstration (to the federal government) and (2.) Rigorous evaluation of its results. Limits of evaluation: (1.) Virtually none of the demonstrations approved since 1992 have come to fruition. (2.) Most evaluation designs emphasize measurement of outcomes over careful description and assessment of what was done. We therefore have little information on the extent to which what is being promised by waivers is being delivered. (3.) Many innovations may actually increase federal and state costs because the only prescription for lowering welfare costs that is known to work is to cut benefits or restrict eligibility, and even these policies, by leading to spillovers into other social service networks, are problematic. The Wisconsin welfare experiments are accompanied by an extraordinary drop in AFDC caseload while national caseload steadily increases. Environmental and policy factors have both played a role, however, in this drop. The recession of 1981-82 affected the nature of the families that entered the Wisconsin system and the exceptionally low state unemployment figures, even during the recession of 1991-92. Also, policy decisions to freeze eligibility and need standards in 1987 reduced the attractiveness of assistance and the abilities of families to combine earnings and welfare. Moreover, beginning in 1988 the state dramatically increased its outlays on welfare-to-work programs, drawing on estimated savings from the 1987 benefit reductions as a source of matching funds. Currently states that attempt to innovate incur all the risks associated with what might be helpful to everyone. Federal government leadership is necessary to ensure that the latitude granted states in welfare innovation produces benefits commensurate with the effort expended.

Wiseman, Michael. 1993. "The New State Welfare Initiatives," Discussion Paper 1002-93, The Institute for Research on Poverty, University of Wisconsin-Madison

During 1992 the Bush administration encouraged states to experiment with innovations in the operation of Aid to Families with Dependent Children program. State demonstration programs were facilitated by quick approval of requests for the waiver of portions of the Social Security Act and related regulations when innovations required such latitude. By the end of the administration's tenure in 1993, waivers had been approved or extended for new demonstrations in eleven states. This paper evaluates Bush waiver policy and reviews the

demonstrations approved, with emphasis on programs in California, New Jersey, and Wisconsin. It is argued that the set of criteria used in evaluating proposals was incomplete and that flaws in many of the demonstrations make it unlikely that much will be learned from their implementation. The most important missing element in the Bush policy was a vision of the role of the state welfare demonstrations the process of improving national transfer policy; early evidence suggests that such a vision is missing from the policy of the Clinton administration as well.

Wolaver, Amy M., T. D. McBride, and B. L. Wolfe. 1997. "Decreasing Opportunities for Low Wage Workers: The Role of the Nondiscrimination Law for Employer-Provided Health Insurance," Discussion Paper 1124-97, Institute for Research on Poverty, University of Wisconsin-Madison

As of 1978, the favorable tax treatment of fringe benefits, including health insurance, has been regulated via nondiscrimination clause such that low-wage, full-time workers must be offered health insurance (and other benefits) that are offered to higher-wage workers by the firm. Part-time workers may be excluded from coverage, however, creating incentives for firms to hire some types of workers part time to deny them coverage. We hypothesize that firms will hire fewer workers whose relative costs have increased, that is, low-wage workers. These workers will be less likely to work for firms that offer coverage, and those that do will be more likely to work part time without being eligible for the firm's health insurance benefits. We use the 1988 and 1993 Employee Benefits Supplements to the Current Population Surveys and an employer premium imputation to examine these hypotheses. Both the descriptive and multivariate analysis are consistent with our hypotheses. We predict the probability of working for a firm that offers health insurance to decrease as premiums increase for both high- and low-wage workers. An increase in the premium is also associated with a decrease in the probability of part-time work, but an even greater decrease in the joint probability of part-time work with eligibility for health insurance.

Wolman, Hal. 1996 . "The Need to Take Place Differences into Account," Technical Analysis Paper No. 45

DHHS, quite understandably, tends to think of the world in terms of individuals, families and households to whom it delivers services. However, those whose concern is with economic development and labor market policy tend to see the world more in terms of places and variations among places. What might be the implications for DHHS concerns, particularly the ability to move from welfare to work, if it attempted to think systematically about the problem of service delivery to individuals, families and households within the context of places or areas which differ in important respects? Do differences among areas in their characteristics affect the ability of individuals to move from welfare to work? What are these place-related characteristics? If they do affect the ability to move from welfare to work, what are the implications, particularly as we consider substantial changes in the existing welfare system, in terms of policy and legislation, technical assistance, and research and evaluation?

Yelowitz, Aaron S. 1997. "Will Extending Medicaid to Two Parent Families Encourage Marriage?" Discussion Paper 1118-97, Institute for Research on Poverty, University of Wisconsin-Madison

Several welfare programs in the United States restrict eligibility to single-parent families. This paper asks whether eliminating this restriction for Medicaid encourages marriage. I identify Medicaid's effect through a series of health insurance reforms that were passed in the 1980s and 1990s targeting young children. These reforms were associated with an increase in the probability of marriage of 1.7 percentage points. While the expansions offered some incentives to become married, they also created other incentives to become divorced (known as the "independence effect"). After controlling for the outflows from marriage due to the independence effect, the estimated effect increases by 10 percent.

Yelowitz, Aaron S. 1996. "Did Recent Medicaid Reforms Cause the Caseload Explosion in the Food Stamp Program?" Discussion Paper 1109-96, Institute for Research on Poverty ,University of Wisconsin-Madison

I examine whether changes in Medicaid eligibility for young children can help explain the caseload growth in the Food Stamp program between 1987 and 1995. Medicaid may increase food stamp participation

through increased awareness about other welfare benefits. It could also reduce earnings through perverse labor supply incentives, thereby increasing food stamp participation. The Medicaid expansions enacted during the 1980s offer a unique opportunity to examine empirically Medicaid's interaction with the Food Stamp program because they conditioned eligibility on the age of the child. Households with ineligible children (based on the child's age) serve as a control group to isolate Medicaid's effect. They help to eliminate many other plausible explanations for the rise in food stamp participation, including economic fluctuations at the state and national levels. I use the Survey of Income and Program Participation (SIPP) to tackle this question. It shows evidence that expanding Medicaid eligibility increased food stamp participation. The effect is quite modest, however. The expansions explain less than 10 percent of the growth in food stamps, substantially smaller than previous estimates. Moreover, its effect on food stamp participation comes entirely through increased program awareness, rather than from any change in labor supply.

Yelowitz, Aaron S. 1996. "The Medicaid Notch, Labor Supply, and Welfare Participation: Evidence from Eligibility Expansions," Discussion Paper 1084-96, Institute for Research on Poverty, University of Wisconsin-Madison

I assess the impact of losing public health insurance on the labor market decisions of women by examining a series of Medicaid eligibility expansions targeted toward young children. These targeted expansions severed the historical tie between AFDC and Medicaid eligibility. The reforms allowed a mother's earnings to increase without affecting her young children's public health insurance. Increasing the income limit for Medicaid resulted in a decrease in AFDC participation and an increase in labor force participation among these women. The effects were large for ever-married women, but were negligible for never-married women.

Zaslow, Martha J., E. Oldham, K.A. Moore, and E. Magenheim. 1997 . "The Implications of Participation in Formal Child Care Arrangements for the Cognitive and Social Development of Children from Welfare Families," Washington D.C.: Child Trends, Inc.

With recent legislation placing a strong emphasis on the transition of welfare mothers into the workforce, it becomes increasingly important to understand whether and how participation in child care has implications for the development of children from welfare families. This study focused on a sample of 182 African-American families, all of whom had applied for or were receiving Aid to Families With Dependent Children, and each with a child of between 3 and 5 years of age. We first examined which of a wide range of background characteristics predicted the use of a formal child care arrangement. We then examined whether the children's cognitive and social development were predicted by current participation in formal child care, above and beyond the background characteristics associated with the use of formal child care. Our results indicate that use of formal child care is associated with significantly higher scores on a measure of cognitive development.

Zaslow, Martha J. and C.A. Emig. 1997. "When Low-Income Mothers Go to Work: Implications for The Future of Children." ***Welfare to Work*** **Vol. 7, No. 1 - Spring**

This article gives an overview of research studies conducted from the late 1960s to the present that consider the implications of maternal employment for children in low-income families. The efforts of these families to juggle working and child-rearing have received far less attention than those of middle-class or professional families. Most studies that do focus on low-income groups indicate that children are seldom harmed when their mothers work, and many have improved outcomes, especially in terms of cognitive development. The authors caution, however, that all the working mothers studied thus far entered employment voluntarily, so their experiences may be more favorable than the experiences of families who are mandated to take jobs. Child outcome research that focuses directly on the families who will be affected by welfare reform is currently unavailable.

Zedlewski, Sheila and L. Giannarelli. 1997. "Diversity Among State Welfare Programs: Implications for Reform,"*New Federalism*, Series A, No. A-1, Washington D.C.: The Urban Institute

This brief depicts the diversity of state AFDC programs prior to passage of the newlegislation, as a

guide in assessing the potential implications of TANF for differentstates. We begin with a brief overview of two major dimensions along which pre-TANFdifferences will affect how states fare under the new legislation.

Zedlewski, Sheila, Sandra Clark, Eric Meier, and Keith Watson. 1996. Potential Effects of Congressional Welfare Reform Legislation on Family Incomes, Washington D.C.: The Urban Institute

This paper presents estimates of how the major income security changes proposed by H.R. 3734 would affect family incomes.1 We do not include a number of other changes which would have smaller effects on family incomes nor do we consider provisions affecting Medicaid eligibility. Income is broadly defined in this analysis to include cash income; "near cash" income from food stamps, energy and housing assistance, and the earned income tax credit; less taxes. Our methods and analysis follow those used in an earlier study that examined the effects of the 1995 Budget Reconciliation Act on family incomes (Zedlewski, Clark, Meier, and Watson, 1995).2 We estimate the effects of the income security and tax changes in the welfare reform bill by comparing how families will fare under new rules compared to current program rules, making reasonable assumptions about how program changes will affect behavior. Since no one can predict these responses with certainty, we also show the sensitivity of the results to alternative behavioral assumptions.

Ziliac, James P., D. N. Figlio, E.E. Davis and L.S. Connoly. 1997. "Accounting for the Decline in AFDC Caseloads: Welfare Reform of Economic Growth?" Discussion Paper 1151-97, Institute for Research on Poverty, University of Wisconsin-Madison Nationwide, AFDC caseloads have decreased by about 18 percent since March 1994, while some states, such as Wisconsin, Indiana, and Oregon, have seen declines of 40 percent or more. Two factors are frequently suggested as possible causes: state-level experiments with welfare reform and strong economic growth. In this paper, we use state-level monthly panel data from 1987 to 1996 to assess the importance of each of these factors by estimating a model of AFDC caseloads as a dynamic function of time-dependent state welfare reform variables (welfare waivers) and economic variables such as per capita employment. Our results from the dynamic model suggest that the decline in per capita AFDC caseloads is attributable largely to the economic growth of states and not to waivers from federal welfare policies. In the 26 states experiencing at least a 20 percent decline in per capita AFDC caseloads between1993 and 1996, we attribute 78 percent of the decline to business-cycle factors and 6 percent to welfare waivers.